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How To Read The Document

Purpose And Document Changes

Purpose

The operating budget outlines the proposed expenditures, personnel resources, and revenues needed for financing the operations of the government, and the policies/priorities and circumstances on which allocation decisions are based. This document provides the citizens and governing body with an insight to the past, present, and future services and programs of the City.

The City continues to be committed to the strategic planning process and the development of an operating budget based on that process. The City Council has developed a set of "Destination Points" to define their vision of a strong, healthy and vibrant City with a greater quality of life for everyone. The planning process starts as the City Council assesses the current conditions of the City and articulates their priorities to the City staff. In turn, City staff devises a strategy document as the official plan to implement the goals of the City Council. This plan focuses the collective efforts of staff on City Council's priorities and those strategic issues that will help close the gap between where the City is today and the community that it strives to become. In concert with the ongoing delivery of programs and services, this plan provides a strategic focus for the next two years. The strategic planning process responds to both short and long-term goals envisioned by City Council by dividing the City's major program activities into seven strategic issue areas: Economic Vitality, Safe Community, Quality Physical Environment, Cultural and Recreational Opportunities, Quality Education and Lifelong Learning, Family and Youth Opportunities, and Quality Organization. This budget document is subdivided and organized according to these seven strategic business areas.

Format of the Budget

To assist the reader in understanding the contents of this financial document, the following is a brief description of the main sections.

On May 11, 2004, City Council established, by resolution, a task force to study the implementation of a biennial budget for the City of Virginia Beach. The task force consisted of three members of the City Council, two members of the School Board, the City Manager, and the Superintendent of Schools. The task force met throughout the summer before recommending a biennial budget process for the City of Virginia Beach. Consequently, City Council directed the City Manager to present a two-year operating budget beginning FY 2005-06 and FY 2006-07, and thereafter. On February 23, 2010, Council directed staff to suspend the development of a biennial budget for FY 2010-11. Although planning and forecasting is still important, the value is negated in this unprecedented economic environment. The Real Estate Assessor recently revised his forecast for depreciation downward and indicated the market is still quite fluid. Consumer driven-revenues, such as General Sales, Meal, and Hotel taxes, are still performing at historical lows. Additional reductions to state aid are imminent for both the City and Schools this year as well as possibly the following year. Given these conditions, forecasting the second year is quite problematic and can establish expectations that may not be achievable (suggesting service delivery based on funding levels that may not be possible if revenues fall short of the second year forecast).

- Introduction – This section contains three parts including the: (1) How to Read The Document section; (2) Summaries showing expenditures and revenues, and interfund transfers; and (3) a detailed revenue section.

- Economic Vitality – This section includes the departments of: Agriculture, Convention and Visitors Bureau, Economic Development, and Housing and Neighborhood Preservation. The mission is to develop strategic options and alternatives to create, enhance, and sustain public/private wealth and income in Virginia Beach, consistent with the overall well being and quality of the community.

- Safe Community – This section includes the departments of: Commonwealth's Attorney, Courts and Courts' Support, Emergency Communications and Citizen Services, Emergency Medical Services, Fire, Police, and Sheriff and Corrections. The mission of this business area is to prevent or respond to threats to the safety of persons or property and taking the necessary action(s) to restore the environment.

- Quality Physical Environment – This section includes the departments of: Planning, Public Utilities, and Public Works. The mission of this business area is to create a shared vision of a quality physical environment for the City.

- Cultural and Recreational Opportunities – This section includes the departments of: Museums and Parks and Recreation. The mission of this business area is to create, nurture and strengthen accessible and sustainable opportunities which are diverse, customer-valued, and provide for the enrichment, refinement, and rejuvenation of the mind, body, and spirit.

- Quality Education and Lifelong Learning – This section includes the departments of: Education and Library. The mission of this business area is to create and continually enhance a cooperative network of lifelong learning, facilitate access to that network, and promote a community focus on the importance of education and continued development of individuals.

- Family and Youth Opportunities – This section includes the departments of: Health and Human Services (the consolidated Department of Mental Health, Social Services, and Comprehensive Services Act). The mission of this business area is to develop, coordinate, and recommend strategic options which foster, through families, the health, economic vitality, safety, and well-being of individuals in the city.

- Quality Organization – This section includes the departments of: City Attorney, City Auditor, City Clerk, City Manager, City Real Estate Assessor, City Treasurer, Commissioner of the Revenue, Communications and Information Technology, Finance, General Registrar, Human Resources, Management Services, Municipal Council, and Non-Departmental (Benefits Administration, Cultural Affairs, Employee Special Benefits, Revenue Reimbursements, Strategic Growth Area Office, Community Organization Grants, Independent Financial Services, and Regional Participation).

- Debt Service – Description, analysis and summaries of the debt service program are included in this section.

- Ordinances – This section contains ordinances that adopt the annual operating budget, sets rates for the property taxes, and miscellaneous amendments to the City Code.

- Appendix – This section contains an overview of the Resource Management Plan, accounting and budgeting basis, various policies and administrative directives, as well as a glossary, a description of major City funds, and a list of commonly used acronyms.

Management Services - Departmental Performance Report

Management Services						
The mission of Management Services is to provide program, fiscal and budgetary policy development and analysis support services to the City Manager, and through the City Manager to City Council for use in formulating City policy. To provide for facility management and coordination of the municipal center and leased space.						
Objective/Performance Measure	**Unit**	**Annual Target**	**Actual 2008**	**Actual 2009**	**Est. 2010**	**Proj. FY 2011**
Customer						
Communicate Resource Issue & Decisions						
Commuication Events	#	1.0	1.0			0
Responses to Citizen Inquiries/FOIA Requests	#	1.0	1.0			0
Complete Ordinances & Resouce Issues for Review						
Adjustments Made to CIP and Budget	#	1.0	0.2	0.4	0.6	0.8
Grants Reviewed	#	1.0	1.0	1.0	1.0	1.0
Ordinances & Agenda Requests Completed	#	1.0	1.0	1.0	1.0	1.0
Coordinate Leases for Buildings/Land						
Leased Space Managed	#	1.0	1.0	1.0	1.0	1.0
Financial						
Biennial Resource Management Plan						
Employees Receiving Budget Training	#	1.0	1.0	1.0	1.0	1.0
Government Expenditures Allocated to Debt Service	%	20.0	1.0	1.0	1.0	1.0
Variation Between Revenue Estimates and Acutal	%	1.0	1.0	1.0	1.0	1.0
Internal Process						
Management Support For City Manager & Council						
F		1.0	1.0	1.0	1.0	1.0

This section identifies the key mission statement of the department.

This section identifies the key objectives of the department in meeting its mission. This section identifies the performance of the department toward achieving its objectives and provides an explanation of any changes in performance. Objectives are identified in bold with related performance measures below. The objectives are divided into one of several categories "customer", "financial", "internal process" and "learning and growth".

Note:
This City document provides financial and programmatic information for one fiscal year. Financial data is required for the last completed fiscal year and the current budget.

Major Changes

n total, the Department of Management Services budget for FY 2010-11 decreased by $406,171 or 10.1% The department's proposed budget a so includes the reduction of 1.0 FTE.

Change	Impact
Elimination of Community Organization Incentive Grant Program	• This will eliminate the City's Community Organization Incentive Grant Program and the support staff position for this program. The Incentive program provides start up grants to existing not-for profits organizations to begin new programs to assist Virginia Beach. Management Services the City Council appointed Committee's provided copy and mailing support, DG grant applications, ensured grant and processed invoices related to the various grants.
Elimination of leased space at Princess Anne Executive Park	• The City will eliminate the lease of office space at Princess Anne Executive Park which currently houses the Purchasing Division of the Finance department. With the numerous positions that the City is eliminating as a part of the FY 2011 budget, office space at the Municipal Complex will be consolidated and these 14 positions will be relocated.

This section describes the major changes in the programs for the department.

Additional information about program reduct ut Not Funded listing in the Introduction section of the document.

This section describes the basic programs of the department and how it is financed.

Departmental Overview

The Department of Management Services receives all of its funding from general City revenue. The department is comprised of two programmatic areas:

- **Management and Budget Analysis** is responsible for the development and preparation of the Resource Management Plan which includes the Operating Budget and six-year Capital Improvement Program as well as the annual Five-Year Forecast. Staff also provides issue management and analytical support on large complex development/construction projects and conducts ongoing reviews of public/private partnerships to address the fiscal, budgetary, and economic impacts of proposals.

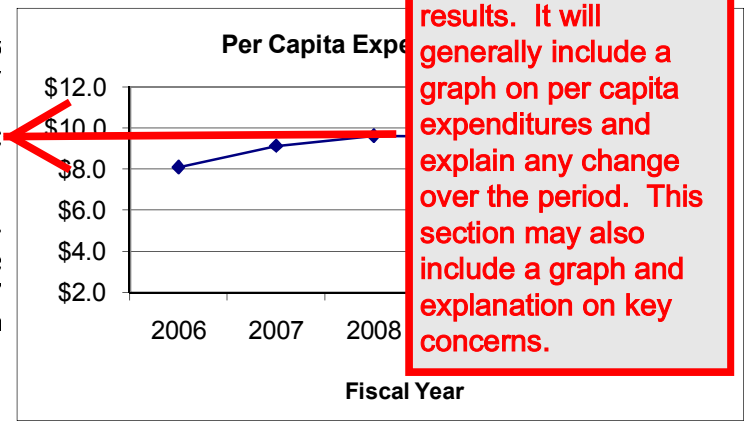
- **Facilities Management** coordinates leases for office space, contracts for bui d s management of the Municipa Center buildings and rental space and parking.

This section focuses on trends that are affecting funding and results. It will generally include a graph on per capita expenditures and explain any change over the period. This section may also include a graph and explanation on key concerns.

Trends and Issues

- The Department of Management Services has acquired and implemented the City's new budgeting software which streamlines the operating budget, capita improvement program, and performance measurement

- Budgeted expenditures per capita for the department have decreased each year since their peak in FY 2007-08. The reduction in FY 2010-11 is due to the elimination of a position and the ease at Princess Anne Executive Park.



Management Services - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Proposed	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Management and Budget Analysis	1,649,612	1,649,923	1,533,276	(116,647)
Facilities Management	1,992,908	2,384,591	2,095,067	(289,524)
Total Expenditures	3,642,520	4,034,514	3,628,343	(406,171)
General City Support	3,642,520	4,034,514	3,628,343	(406,171)
Total Department Expenditure	3,642,520	4,034,514	3,628,343	(406,171)
Total Department Revenue	0	0	0	0
Total General City Support	3,642,520	4,034,514	3,628,343	(406,171)
Position Summary by Program				
002 General Fund				
Management and Budget Analysis	18.00	17.00	16.00	-1.00
Facilities Management	3.00	3.00	3.00	0.00
Total	21.00	20.00	19.00	-1.00
Total Position Summary	21.00	20.00	19.00	-1.00

This section identifies expenditures and revenues by program unit that supports the department's mission.

Also identified is the total personnel allocated to the department by program unit.

Note:

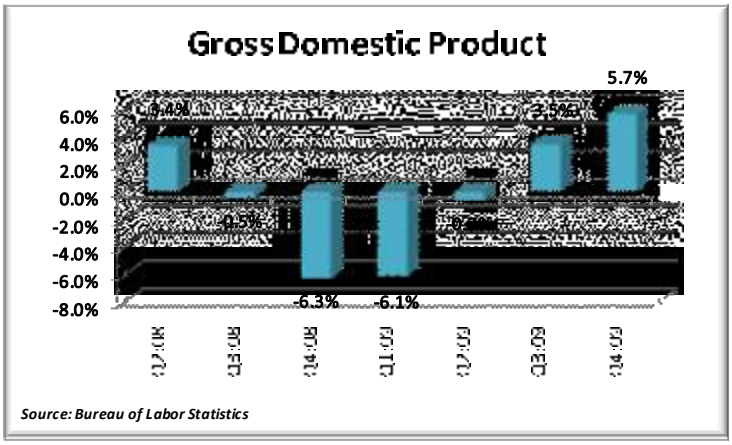
1. Position counts are expressed in terms of full time equivalents or FTEs. This is the total number of hours worked divided by the number of hours for a full-time employee. This allows a more accurate count of positions by standardizing various work schedules for part-time employees.

2. Once City Council votes to adopt the Resource Management Plan, changes that affect the department section will be included as a Council Amendment at the end of each departmental write up.

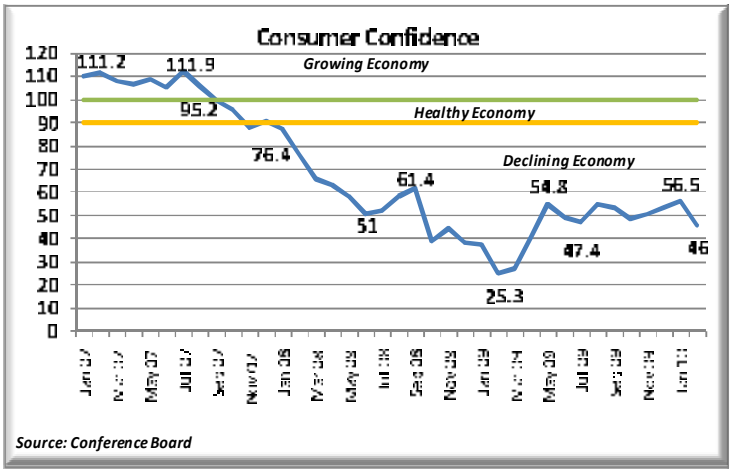
REVENUES

Revenues

National Economic Overview - Following the gravest recession, since the Great Depression, the national economy is showing some potential green shoot activity. The federal government's American Recovery and Reinvestment Act (ARRA), America's Recovery Capital Loan Program (ARC), and Troubled Asset Recovery Program (TARP) have moderated the longevity of the recession, and the gross domestic product (GDP) has shifted from four record setting consecutive declining quarters (see adjacent graph) to two quarters of growth, but is this sustainable? Furthermore, have manufacturers, wholesalers and retailers caused an economic aberration?[1] Over the past year, with consumer spending waning, these sectors depleted their business inventories. Anticipating a modest holiday season, they replenished. This had a positive effect upon GDP. During this same period, national household spending declined year-over-year 0.3%. This indicates the replenishment played a major role in the quarterly economic growth; moreover further obscuring consumer spending, the previous year was the worst holiday retail sales season in forty years (-3.2%). Overall, in 2009, consumer sales fell -6.2%.[2]



Why aren't consumers spending? Unemployment and job loss anxiety have decreased the ability and desire to spend. With unemployment hovering around 10% and representing almost 16 million job seekers (a 26 year high), disposable income is scarce for the unemployed; moreover job loss anxiety makes it desirable for employed workers to save and avoid spending. In 2005, the savings rate was less than 2%. In 2009, it climbed to nearly 5%. The last time it reached this level was ten years ago.[3] Unemployment, job loss anxiety, and the financial crisis have shaken consumer confidence. Consumer confidence began declining in 2008 and bottomed out in 2009. With 90 on the index indicating a healthy economy and 100 a growing one, the low point of 25 indicated fiscal distress across America. Presently, the index is approximately 46.



During the robust growth years of the mid-2000s, consumer spending was bolstered by relaxed credit standards, creative credit opportunities and an abundance of credit options. Credit cards were easily attained, and many consumers leisurely used them and sought more. Additional credit requests were often granted; moreover with home values aggressively escalating, homeowners were able to use equity to make purchases and invigorate GDP, but when credit institutions began to falter, credit card offers evaporated, credit limits were lowered, and home equity loans became more difficult to attain. Further constraining the credit user, credit card interest rates escalated and required more monthly disposable income to

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[1] Gongloff, Mark, December 1, 2009, *Growth's Albatross: Inventory Rebound,* Ahead of the Tape, Wall Street Journal, Vol. CCLIV, #142, NY, NY, p. C1.

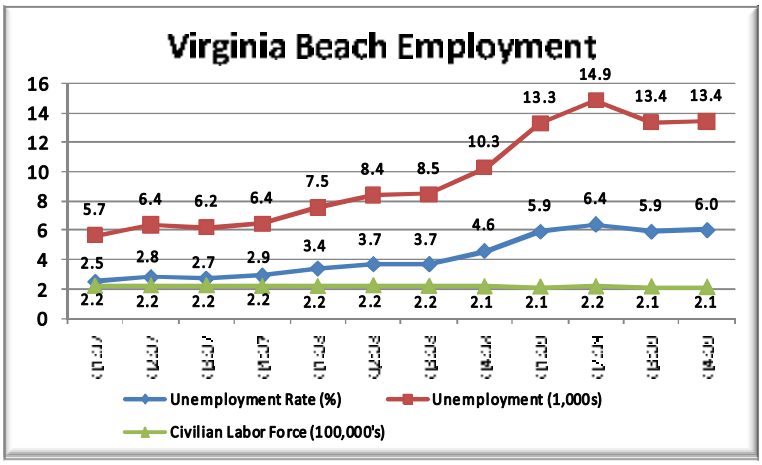
[2] Crutsinger, Martin, November 15, 2009, *Mixed Message,* businessday, The Virginian-Pilot, Norfolk, VA, Main section, p. 10.

[3] Walzer, Philip, January 15, 2010, *Retail Sales Drop, Slamming Register Shut on Dismal Year,* The Virginian-Pilot, Norfolk, VA, Business section, pp. 1 and 3.

make the minimum payment. For those unemployed and/or overextended, credit was no longer a purchasing option. This financial and unemployment crisis resulted in a national GDP decrease.

The national economic engine is beginning to churn, but it may take years to reach robustness. The last decade was disappointing. It was a period of zero job growth; GDP rose at its slowest pace since the 1930s; and the average middle income household earned less, after adjusting for inflation, than they did at the end of the 1990s.[4] Typically, after a recession, twenty-five percent of jobs do not return.[5] If this holds true for this past recession, nationally, four million jobs will no longer exist. Further complicating employment, typically, newly employed post-recessionary workers incur pay scale reductions.[6] This erodes a worker's discretionary ability to spend disposable income. Presently, the ratio of job seekers to available jobs is 6:1.[7] To reach a level of full national employment, the economy needs to produce 400,000 jobs per month for three years. Presently, job losses have dropped from 500,000 to 31,000.[8] Positive net job creation has not started. While corporations are finding creative ways to finance growth,[9] they are being cautious and utilizing present employees and temporary staff to reach higher productivity levels.[10] The key to accelerating GDP is through job growth. While growth will come, it will likely be slow.

Virginia Beach Economic Overview – During the 1990-91 and 2001 recessions, Virginia Beach experienced economic insulation. The city fared better than the nation. The diversity of local industry created a beneficial circumstance; however, the gravity of the most recent recession had a negative effect upon the community. For instance, according to the Virginia Employment Commission, the unemployment rate has climbed to 6.0% and has remained there for four quarters. In a growing economy, the average number of workers seeking employment is approximately 6,200 per quarter. During the past recession, the average climbed to 13,700. This compares to the 2001 recessional average of 6,400. The greatest credit pressure manifested in mortgage payments. According to the New York Federal Reserve, at the end of the third quarter of 2009, the national rate of mortgage payments, more than 90 days late, was 5.0%. Virginia Beach's rate was 2.9%. This is 1.4% more than Virginia Beach's previous year. Unemployment is also depressing students' ability to pay back college loans. Nationally, 10.5% of student loans are more than 90 days late. In Virginia Beach, the rate is 11.3%. This is 1.5% above last year. Credit card (1.7%) and auto loans (1.2%) delinquent more than 60 days are equal to the national average. These delinquencies were the same as last year. Upon review of the two most previous recessions, recovery of pre-recessionary employment was slow. For instance, after the three quarter 2001 recession, where unemployment topped out at 3.4%, it took 61 months to recover. During the 1990-1991 three quarter recession, unemployment peaked at 5.2%, and it took 86 months to recover. Currently, with unemployment above 6% and the recession's duration extending an additional quarter, all indicators imply an extensive recovery period.



[4] Irwin, Neil, January 3, 2010, *The Awful Aughts,* The Virginian-Pilot, Norfolk, VA, Main section, pp. 1 and 12.
[5] Izzo, Phil, February 12, 2010, *Many Jobs Gone Forever, Economists Say,* U.S. News, Wall Street Journal, Vol. CCLV, #35, NY, NY, p. A4.
[6] Couch, Kenneth, Nicholas A. Jolly and Dana W. Placzek, April 2009, *Mass Layoffs and Their Impact on Earnings During Recessions and Expansions,* Occasional Paper Series 2009-10, Connecticut Department of Labor, Office of Research, Wethersfield, CT.
[7] Rugaber, Christopher S., October 10, 2009, *About Six Workers Seek Each U.S. Job Opening,* businessday, The Virginian-Pilot, Norfolk, VA, Main section, pp. 1 and 12.
[8] Di Leo, Luca and Sara Murray, February 19, 2010, *New Jobless Claims Jump by 31,000,* U.S. News, Wall Street Journal, Vol. CCLV, #40, NY, NY, p. A2.
[9] Henry, David, December 21, 2009, *Companies Jump into the Financing Gap,* Finance, Business Week, NY, NY, p. 068.
[10] Cooper, James C., November 23, 2009, *The Signs Say: Job Growth Ahead,* Business Outlook, Business Week, NY, NY, p. 018.

Forecasting Methodology

The City uses the following qualitative and quantitative methods to forecast revenues:

- Survey departments regarding trends in revenues.
- Interview local economists concerning the current and future state of the economy, and review national economic forecasting projections.
- Monitor national and local economic trends.
- Examine State and Federal budgets and legislative changes.
- Examine relationships between revenues and economic variables.
- Use the following statistical techniques: Exponential Smoothing; Auto Regressive Integrated Moving Average (ARIMA); Autoregressive Distributed Lag Models; Vector Autoregression (VAR); and Regression Analysis.

The final projections are based upon a combination of the above techniques and educated judgment. The generally accepted public finance forecasting margin of error is 2.0%. The City has been within 1% of projections for six of the last ten years. From FY 2004 through FY 2006, the City experienced unusual General Sale, Deed, Cell Phone and Meal tax revenues. This growth led to collected revenues exceeding forecasted revenues by a greater margin than historically accustomed. In FY 2009, the national financial economic shock caused revenues to underperform.

Dedication of Other Local Taxes and Real Estate Taxes for Specific Purposes

Recent Real Estate Tax Rate Adjustments and Distributional Purpose Historical Perspective - The table below chronicles real estate tax rate changes from FY 1987-88 through FY 2010-11 and identifies the dedications. From FY 1982-83 through FY 1986-87, the City's real estate tax was 80¢ per $100 of assessed valuation. Single asterisk indicators represent voter-approved bond referenda rate increases. Beginning in FY 2004-05, the City Council lowered the overall tax rate and adjusted the following dedications: The Recreation Center rate decreased from 3.8¢ to 3.476¢ and Outdoor Initiatives from 0.7¢ to 0.47¢. In FY 1995-96, the Agriculture Reserve Program dedication was established at 1.5¢. In FY 2004-05, it was lowered to 1¢, and in FY 2006-07, it was lowered to 0.9¢. The adoption of the City/School Revenue Sharing Formula in FY 1997-98, which originally dedicated 53.13% of all Real Estate Taxes to Schools, replaced specific rates for school-related purposes identified below. Due to City Council approved modifications and State revenue changes, the formula percentage changed to 51.3%. All the non-school related purposes are funded within the City's share of 48.7% of Real Estate Taxes.

		Rea Estate Tax Adjustment from FY 1986-87's Rate of 80¢					
Fiscal Year	Tax Rate Change	General Government	Parks and Recreation	Road Bonds	School Operating Budget	School CIP	Agriculture Reserve Program
1987-88	7.7¢			5¢*		2.7¢*	
1988-89	3.8¢		3.8¢*				
1989-90	6.2¢		0.7¢		5.5¢		
1990-91	5.5¢	0.6¢				4.9¢*	
1991-92	5.8¢				5.8¢		
1993-94	5.0¢	-0.7¢				5.7¢	
1995-96	4.8¢					3.3¢	1.5¢
1996-97	3.2¢				3.2¢		
2004-05	-2.36¢	-2.36¢					
2005-06	-17.25¢	-16.75¢					-0.5¢
2006-07	-3.39¢	-2.99¢	-0.3¢				-0.1¢
2007-08	-10¢	-9.746¢	-0.254¢				
TOTAL CHANGE	9¢	-31.946¢	3.946¢	5¢	14.5¢	16.6¢	0.9¢

*Note: Originally approved via referendum.

City/School Revenue Sharing – With the exception of real estate, personal property, and E-911 telecommunication taxes, the revenue sharing formula dedicates 51.3% of local revenues to the schools. Prior to FY 2011, the dedication for real estate and personal property was also 51.3%. As allowed under the City/School revenue sharing policy, in FY 2011, the City is recommending a rate increase to support City operations. The adjustment will not reduce pre- or post-recommendation school funding but changes the dedication percent.

Prior to the restructuring of telecommunication tax legislation, E-911 telecommunication revenues were not included in the revenue sharing formula. After the legislative restructuring, telecommunication tax revenue distributions included E-911. Maintaining the previous arrangement, E-911 revenues remain a 100% City source. The following table represents the current revenue sharing formula between the City and Schools:

City /Schoo Revenue Sharing Formu a		
Revenue Source	General Government	Virginia Beach Schools
Real Estate Property Tax	48.7%	51.3%
Personal Property Tax	48.7%	51.3%
Short Term Rental Tax	48.7%	51.3%
General Sales Tax	48.7%	51.3%
Utility Tax	48.7%	51.3%
Business Permits and Occupational Licenses	48.7%	51.3%
Cable Television Franchise Tax	48.7%	51.3%
Telecommunication Tax	48.7%	51.3%
E-911 Telecommunication Tax	100.0%	0.0%

Other Loca Taxes - The following table indicates selected local tax dedications having specific purposes:

Dedication of Tax									
Tax	Local Rate	General Fund	T.G.I.F.	T.A.P.	Beach Events	EDIP's	Major Projects	Open Space	Tax Elas-ticity*
Amusement Tax	10.0%		2.0%				8.0%		0.65
Hotel Room Tax	8.0%	2.0%	2.0%	1.0%	0.5%		2.5%		0.84
Restaurant Meal Tax	5.5%	3.5%	0.5%	0.5%			0.56%	0.44%	0.96
Cigarette Tax (per pack)	65¢	48¢				12¢	5¢		0.96

*Statistical Measure of Tax Elasticity – Elasticity is a measure of how one variable responds to a change in another variable. From a governmental perspective, the elasticity indicates whether a rate change would affect consumer usage and revenue generation. Using regression analysis in logarithmic form, the elasticity computation is Tax Revenues = f(tax rate, other causal variables). A calculation greater than "1" indicates governmental tax elasticity, and consumer behavior changes very little with a rate increase. Less than "1" suggests governmental inelasticity causing consumer behavior to change. For example, the elasticity of the Amusement Tax is 0.65; therefore, a 1% increase in the Amusement Tax will generate a 0.65% increase in tax revenues. As the elasticities indicate, all of the listed taxes are inelastic. Due to specificity and quantification complexities, these results are approximations.

Tourism Growth Investment Fund (TGIF) - This fund receives revenues from a variety of sources. They are hotel room, restaurant meal, and participatory sport admission taxes. City Council designated a portion of these to fund specific tourism projects, capital projects and special events. Beach Events are included in this fund.

Tourism Advertising Program Fund (TAP) - City Council designated funding for tourism's advertising and marketing costs.

Economic Development Investment Program Fund (EDIP) - To support and enhance the City's economic development program and strategic plan, twelve cents (18.5%) of the local Cigarette tax rate is dedicated to this fund. This includes an FY 2011 increase of 2¢ dedicated to this program. The program will leverage grant dollars, fund infrastructure, and other case-by-case approved economic development initiatives. A policy to guide the use of these funds has been adopted by City Council.

Major Projects - This pays the debt service for the Convention Center, the Sandler Center; and the Virginia Aquarium and Marine Science Center.

Open Space - To acquire and preserve land for future generations, this fund provides open space initiative resources. Due to adverse economic circumstances, the FY 2011 operating budget recommends a two year programmatic acquisition moratorium, and the revenues temporarily diverted for other requirements. For additional information, the Parks and Recreation section discusses the other requirements.

Fees and Charges for FY 2010 11

To recover the cost of various services, the City relies upon various fees and charges. To keep pace with rising costs, each year, a proposed fee or charge increase is made. In FY 2011, there are fourteen proposed increases. They range from animal adoption to parking fees. In addition, three new fees are proposed. Within the Library fee structure, an average cost per citizen calculation was made. A new non-resident fee, based upon the average resident cost, will be charged. Lastly, the Treasurer's Office will begin collecting court fees improving delinquency collections and charging an administrative fee.

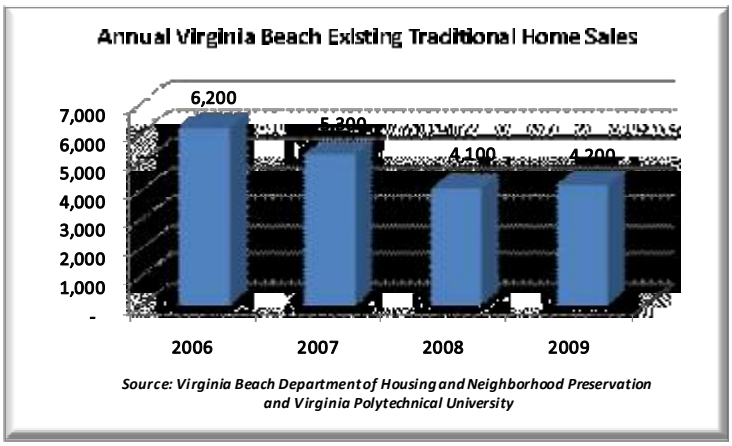
Overall, local sources comprise the largest portion of City revenues (see graph above). To review the various rate and fee changes, they can be found in the Executive Summary and in the individual department sections.

Changes in Funds

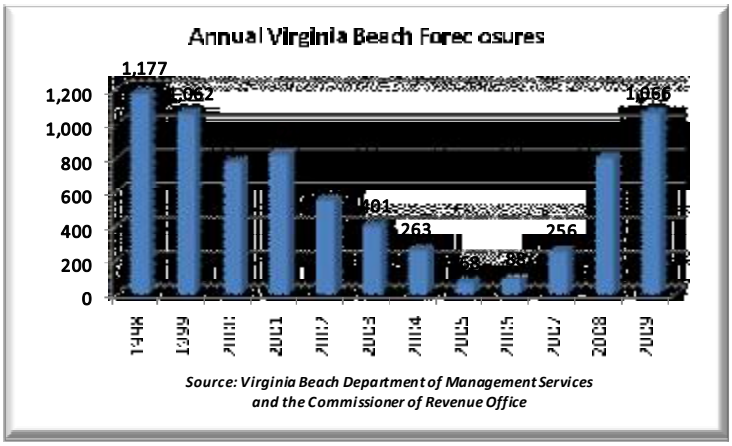
Consolidation/New Funds - To consolidate recreational programs and reporting, the Golf Course Special Revenue Fund merged with the Parks and Recreation Special Revenue Fund. Also, the Museum Grant Fund has been dissolved and made a budget unit within the Grants Fund.

General Fund Revenue Source Analysis

Real Estate Tax – After four years of double digit housing appreciation, the national housing and financial market recession has impinged upon most localities. This includes Virginia Beach. While most Virginia Beach neighborhoods are depreciating, homes with values greater than $500,000 are experiencing the largest depreciation rate.[1] In FY 2008-09, the number of homes sold was approximately 5,700. Of those homes sold, seventy-three percent, or 4,200, were classified as existing home traditional sales. A traditional sale is one going through a customary sales process. Typically, the home had been previously dwelled in and the buyer, real estate broker, seller and bank complete the sales transaction. In average years, the Ciy Real Estate Assessor would use these sales to annually assess entire neighborhoods. In FY 2006, there were approximately 6,200 of these sales. In FY 2007, there were 5,300. Each year thereafter, the sample pool for assessing existing homes decreased (see graph above). With a shortage of traditional transactions, as a proxy and supplement to existing home sales, the Assessor has used foreclosure sales.



In FY 2009, there were 620 foreclosure sales. Driving assessed values downward, the average foreclosure sale depreciated 14%; moreover the number of foreclosures rose to pre-decade levels (see adjacent graph). With foreclosures on the rise and prices declining, sales have expectedly increased and are having a depreciative affect upon many neighborhoods. Over the past three years, sub-prime adjustable rate mortgages (ARMs) have invigorated foreclosures. With most of these loans resetting at a rate 14% higher than the introductory period's rate and the banking crisis rendering tighter lending standards,[2] many of the sub prime borrowers were not able to refinance and lower their monthly mortgage payments. With limited disposable income, some of these borrowers defaulted. Fortunately, the precarious resetting of most sub-prime loans is complete. Unfortunately, another wave of ARMs are coming. Alt-A ARM loans similarly have a resetting period, but the introductory terms differ. During this period, the borrower was allowed to determine their payment schedule. Upon termination of the introductory period, the loan interest rate resets, and the banking institution compares the payment history to the minimal amount anticipated. During the introductory period, if the borrower didn't pay enough, the outstanding amount is added to the principal, and the interest rate resets on the new principal.[3] There were 13% more Alt-A loans issued in Virginia than sub-primes, and initial reset rates have been 7.7% above the introductory rate. Alt-A loans are anticipated to increase the foreclosure count.



While residential assessments are the largest tax revenue contributor, commercial properties also play a role. Throughout the region, commercial property values are decreasing. Most problematic are the multi-unit facilities. Utilizing an income

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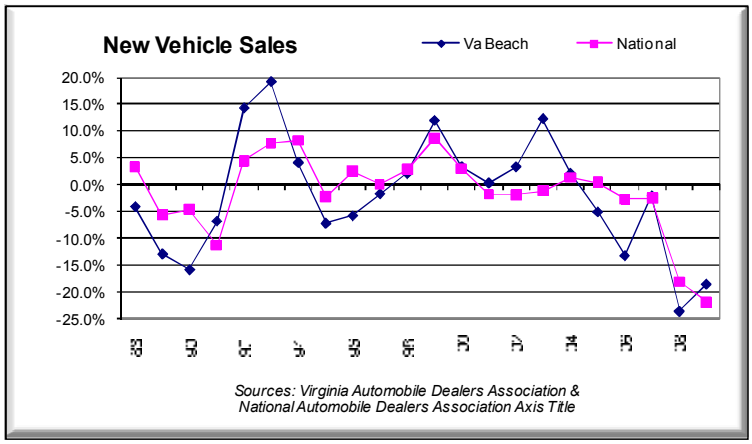
[1] Gongloff, Mark, December 29, 2009, *Higher-End Homes Face the Price Pressure,* Ahead of the Tape, Wall Street Journal, Vol. CCLIV, #152, NY, NY, p. C1.

[2] The Virginian-Pilot, August 12, 2008, *Banks Tighten Lending Standards Even More, Federal Reserve Finds*, bizworld at a glance, The Virginian-Pilot, Norfolk, VA, Business section, p. 3.

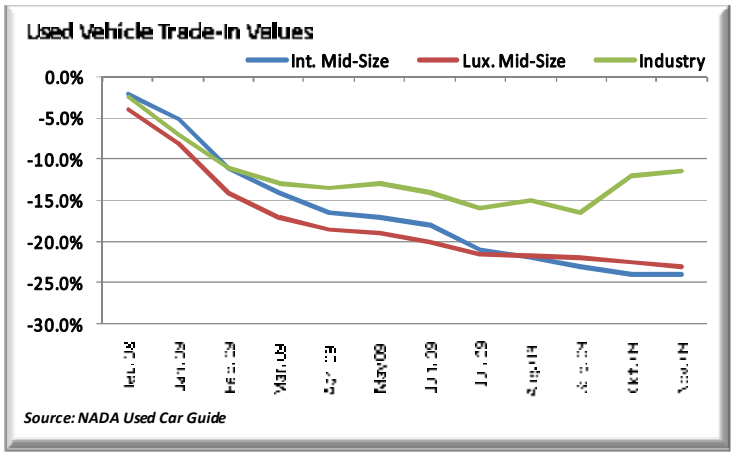
[3] Kelly, Tom, August 23, 2008, *More Gloom: Option ARM Fallout Might Surpass Subprime Mess*, gimme shelter, The Virginian-Pilot, Home., p. 14.

approach to calculate the assessed values, the City Real Estate Assessor uses rent charges as one determinant. With many businesses also incurring recessionary income constraints, some are downsizing and others closing. When office, industrial, retail, and apartment vacancies increase, owners lower rent to entice businesses to occupy. In 2009, vacancies increased approximately 15%. In 2010, vacancies are anticipated to increase another 12% - 18%. In 2009, rental rates decreased 14%, and in 2010, the rental rates are expected to fall an additional 11%.[4] With these variables declining, commercial property values are decreasing.

Estimated Revenue – Real estate growth projections are provided by the City Real Estate Assessor. For FY 2010-11, total real estate revenues are forecast to be $488,902,801 which is 2.1% under the previous year's budgeted amount. The revenue decrease is mitigated by a 3¢ rate increase. The renovation of the Bow Creek and Kempsville recreation centers are funded by 0.3¢ of the 3¢ increase. Public service real estate tax revenues (assessed by the State Corporation Commission) increased slightly.



Personal Property – Eighty percent of personal property taxes pertain to vehicle assessed values. Traditionally, in Virginia Beach, there has been a healthy vehicle buying churn. As vehicles aged and lost value, they were sold or traded in for a newer and higher valued vehicle. Typically, during a recession, the churn quiets. When the 1990 recession occurred, new vehicle sales decreased 11%. The insulated economic nature of Virginia Beach kept it from dipping as low as the national measurement of 16%. During the 1990 recession, unemployment peaked at 5.2%. Comparatively, during the 2001 recession, unemployment peaked at 3.4% and new vehicle sales dipped 1%. Demonstrating the magnitude of the most recent recession, unemployment climbed to 6.4% and new vehicle sales decreased 22%. Nationally, despite the federal governments "Cash-for-Clunkers" program, new car sales followed a similar trend (see graph above). Furthermore, used vehicles weren't selling, and gasoline prices reached $4 per gallon. To sell used vehicles, dealerships and individuals were willing to drop prices considerably. This had a noticeable effect on Virginia Beach's vehicle personal property assessed values. The decline was large, because new vehicle sales stalled, and used vehicle values declined. Both of these factors magnified the decrease in personal property revenues.



Nationally, according to the National Automobile Dealers Association (NADA), December 2008 was the month 1-5 year old used vehicle values began rapidly deteriorating. Annually compared values indicated a significant downward slide. Normally, when the change is measured, the trend is flat or appreciating. This is due to the inflationary effect over time upon new car values. Between November 2008 and January 2009, contrary to historical and inflationary trends, used vehicles depreciated greater than normal. December 2008 was the worst month. The sampling depreciated 7.5% for most used vehicle types. Two months later, trade-in values also plummeted. For instance, luxury and intermediate mid-size vehicle trade-in values fell 18%. To date, these vehicle

[4] Newswanger, Philip, October 26, 2009, *Commercial Vacancies Rise, Construction Slows*, News, Inside Business, Norfolk, VA, p. 3.

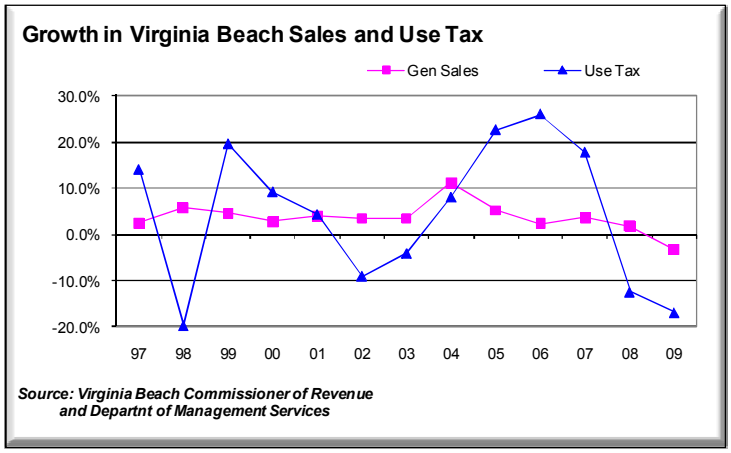
types have continued to decline. Both have declined 23% (see graph on previous page). With trade-in depreciation occurring monthly, some prospective consumers were not able to trade in vehicles for newer ones, because they owed too much on the trade-in and were reluctant to sink further into debt.

Further complicating the purchase of new vehicles, dealerships were requiring higher FICO credit scores. Between October and December 2008, the average required FICO score to purchase a new vehicle was 760. Since then, the requirement has declined to 715. Presently, the FICO score for a used vehicle has fallen from 708 to 650.

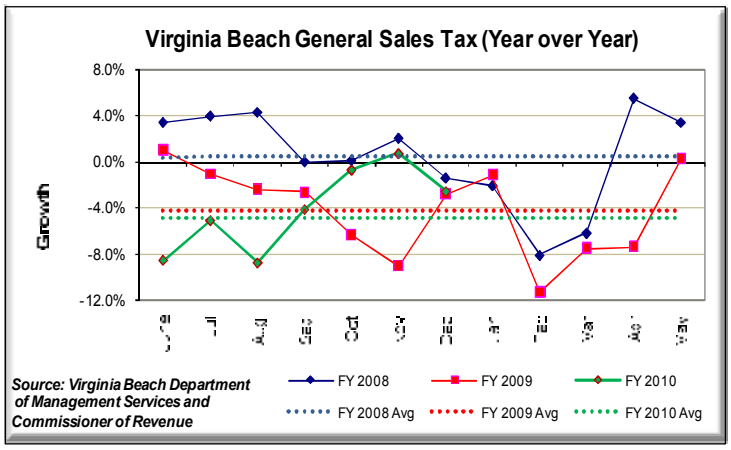
During FY 2005-06, the State implemented the Personal Property Tax Relief Act. In this act, localities receive a flat reimbursement, and it is not adjustable. The amount of the State reimbursement to Virginia Beach is $53.4 million. With projected growth in the vehicle base, this budget proposes a relief percentage of 70%. Consistent with original legislation, vehicles valued under $1,000 are not subject to taxation. Owners of vehicles valued between $1,001 and $20,000 will have to pay the remaining at 30% of the assessed value rate of $3.90 per $100, and vehicle values exceeding $20,000 will be taxed 100%.

Estimated Revenue - For FY 2010-11, Personal Property taxes are $120,124,744. This is 0.2% higher than last year's estimate and reflects a 10¢ vehicle rate increase.

General Sales – The general sales tax is comprised of a use tax and a merchandise sales tax. The merchandise sales tax represents the vast majority of the revenue. Reflecting historically, the use tax has experienced volatility, but compared to the sales tax, the amount collected is small. For instance the steep use tax declines in 1996 and 2002 did not have a profound effect upon the total tax collected. Conversely, up until 2009, the merchandise sales tax has shown steady growth between 1% and 10%. In 2009, the recession created the first decline in many years. Again, demonstrating the recession's magnitude, the 1990 and 2001 recessions had little effect upon the sales tax (see adjacent graph). Consumers maintained their buying behaviors.



When merchandise sales and use tax are combined and reflect monthly changes, declining patterns emerge. After many years of consistent growth (FY 2007 was +5.4%), September 2007 (FY 2008) proved to be a warning sign. Flat growth occurred two months in a row, and two months later, consumers began to adversely modify their spending patterns. February was the low point (-8%) of the fiscal year. This latter decline pulled the average annual growth down to 0.3%. With the exception of June 2008 and May 2009, every month in FY 2009 declined. Characteristic of the previous year, February was the low point (-11%). For FY 2009, the average rate of decline was 4.1%. In FY 2010, the average rate of decline is 4.8%. In FY 2010, the hope for a robust holiday season did



not materialize.[5] Retail establishments maintained profit margins by reducing inventory[6] and consumers saved their discretionary income; moreover the prior year's October and November performance was poor. In FY 2009, sales did not sink any further, but they didn't gain any upward momentum either.

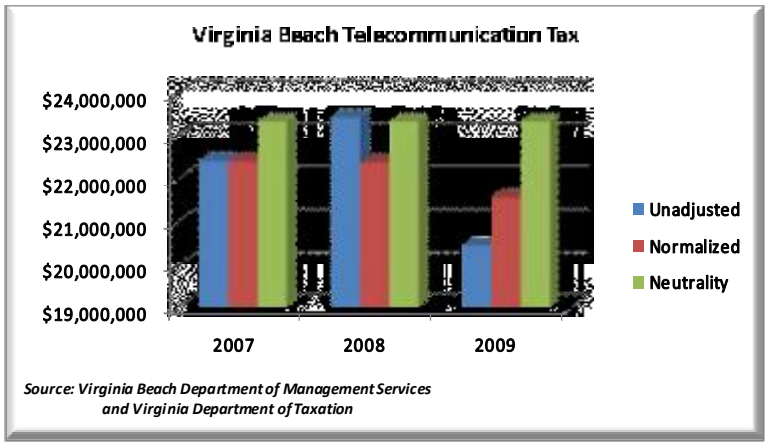
Internet sales tax collections, to the extent consumers are willing to report them, are reflected in the sales tax collection data. Over the past seven years, national Internet sales have grown between 20% and 40%. In 2008, Internet sales represented 6% of all U.S. sales, and 2009 approximately 7%.[7]

Historically Virginia Beach sales do not correlate strongly with national sales trends. Other causal variables have been analyzed. For instance, the correlation between annual military compensation increases and local sales is not strong. Employment serves as the strongest predictor. The Conference Board's Consumer Confidence Index is moderately correlated. When consumer confidence rises and bank lending standards relax, sales tax revenue should rebound.

Estimated Revenue - For FY 2010-11, estimated revenue for General Sales is expected to be $50,596,245. This is 1% under the previous year's budget.

Utility Tax – The utility tax represents residential and commercial electric, gas, and water bills. Historically, this revenue grows at a modest rate. When the state imposed a change to the local government utility taxing structure, all local governments were negatively affected.

Estimated Revenues - For FY 2010-11, estimated revenue for utility taxes is expected to be $25,235,300. This represents a 1.9% decrease under the previous year's budget and reflects a decrease in business consumption.



Virginia Telecommunications Tax - In January 2007, the State replaced all local telecommunication and cell phone taxes with a uniform 5% tax. The taxation applies to satellite TV, Internet phone service, Voice-Over-Internet-Protocol (VOIP), and satellite radio. To eliminate the various rate structures imposed by over 100 local governments, telecommunication industries intensely lobbied for this change. From a local government perspective, there were concerns about achieving revenue neutrality (a legislative promise). In actuality, with the proliferation of telecommunication means, most local governments experienced a decline. Anecdotal data suggests this. For instance, more people, particularly young and single, are canceling their land line service and are using cellular service only. Because those who made the transition had a cellular and landline telephone, the City does not benefit; the City loses taxation on the landline telephone. As a result, since its inception, the telecommunication tax has not reached neutrality.

Neutrality was based upon FY 2006 revenue collections and represents $23.4 million per annum. Revenues are received monthly, but they usually incur adjustments. Each month, the City receives adjustment information. The adjustments include overpayments, amnesty collections, and misapplied revenues. To measure the correct annual collections, the adjustments are applied, and a normalized collection is calculated. Over the course of three years, normalized revenues

[5] Crutsinger, Martin, January 15, 2010, *Retail Sales Drop, Slamming Register Shut on Dismal Year,* businessday, The Virginian-Pilot, Norfolk, VA, Main section, p. 10.

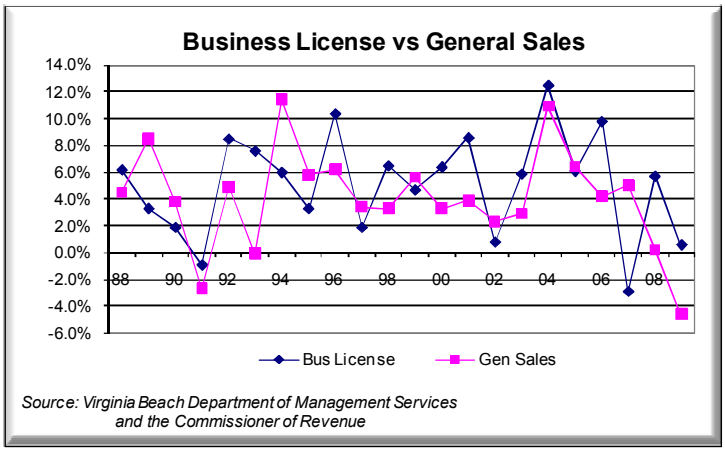
[6] Holmes, Elizabeth, Ann Zimmerman and Rachel Dodes, November 30, 2009, *More Shoppers Hit Stores, But Spend Less,* Marketplace, Wall Street Journal, Vol. CCLIV, #128, NY, NY, p. B1.

[7] Fowler, Geoffrey A., December 21, 2009, *As Stores Sputter, Sales Sizzle Online,* Marketplace, Wall Street Journal, Vol. CCLIV, #145, NY, NY, p. B1.

have not met neutrality. In 2008, revenues got close, but in 2009, along with large overpayment adjustments, a discount was applied. When the original legislation was adopted, there was a neutrality stipulation. According to the legislation, over a period of time, once unadjusted statewide revenues reached neutrality, a discount rate was yielded to the telecommunication companies. Mid-year 2009, statewide neutrality was reached, and the discount began. This has increased the local marginal difference between neutrality and normalcy.

Estimated Revenue - For FY 2010-11, this revenue is projected to be $22,017,919. The 7% decrease (compared to the previous budget) is attributed to the statewide discount.

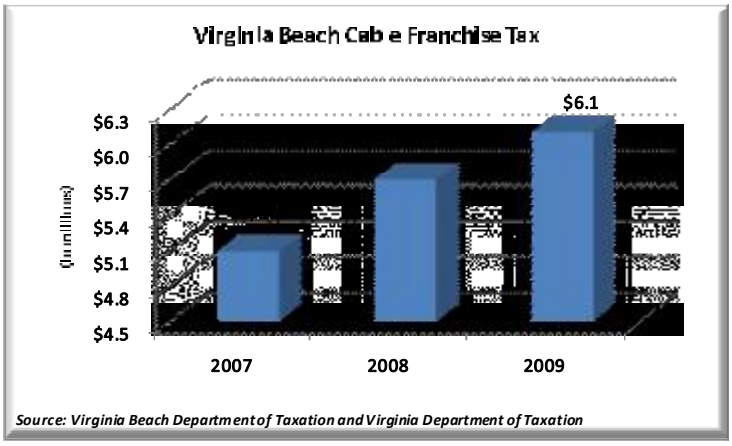
Business Permit and Occupational License Tax (BPOL) - As the adjacent graph illustrates, this revenue consistently outperforms General Sales. BPOL uniquely captures service sector activity and has more volatility. Some of the volatility is due to rebates, reporting and auditing issues. When audits produce adjustments, the change is posted in the current operating year distorting the current year and the correction year. While these variations can alter the collections, some of the volatility is not explanatory. For instance, business cycle shocks are difficult to pinpoint. A profitable business may simply choose to close, while another may declare bankruptcy. At the same time, a chain of stores may create new businesses throughout the City. The offsetting effect over the course of a year would require considerable analytical work. Last year's decline serves as a notable example. Sophisticated forecasting techniques do poorly; moreover none of the broad local economic indicators are good predictors either. Hence, this revenue is often projected based on simple trend analysis and economic outlook.



Source: Virginia Beach Department of Management Services and the Commissioner of Revenue

Estimated Revenue - For FY 2010-11, estimated revenue for BPOL is projected to be $40,771,644. Anticipating the beginning of a slow recovery period, this is a 0.5% increase over last year's budget.

Cable Franchise Tax – During the recession, many discretionary spending decisions were made by consumers. For instance, some big ticket purchases were delayed, and consumers turned to discount stores for goods. One area unaffected by the recession has been entertainment. While theater prices have escalated, movie rentals and pay-per-view have only modestly increased. At the beginning of 2009, Cox Communications modestly raised their standard cable service rate 6.4% to $48.95 per month, and on-demand prices increased to $4.99 per movie. This low cost option has created a "nesting process." Cox Hampton Roads General Manager, Gary McCollum, describes the nesting process as, "Customers who are more inclined to spend less money by staying at home and ordering a pay-per-view or on-demand movie from cable rather than taking the family out to the movie."[8] For families desiring to save money, pay-per-view has been an affordable option.[9] Enhancing the home entertainment experience has been a growing sector of the cable industry.



Source: Virginia Beach Department of Taxation and Virginia Department of Taxation

[8] Schwartz, Michael, May 4, 2009, *Cox Fighting Economy and Competition*, News, Inside Business, Norfolk, VA, p. 9.

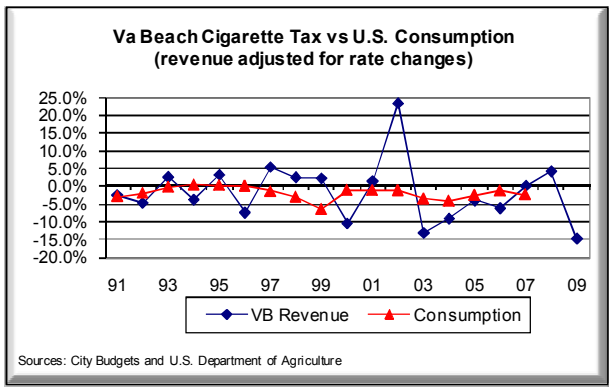
[9] McCollum, Gary, January 5, 2009, *Gary McCollum, General Manager, Cox Hampton Roads, Chesapeake*, Economic Forecast, Inside Business, Norfolk, VA, p. 10.

More and more high definition and digital channels have been introduced. To receive the channels, consumers are required to pay increased monthly rates. For instance, Cox Cable has added 13 new HD channels[10] and Verizon Fios launched 53. To receive the Fios upgrade, a customer has to purchase the TV Extreme HD package; moreover thirty-three of the channels require an additional subscription to premium movie networks. In addition to the premium channel prices, the Fios HD package costs $57.99.[11] Cox Cable offers a digital package for $7.50 per month.[12] As the cable menu options have increased, consumers have used preferential cost saving entertainment strategies to supplant higher cost entertainment venues. Because the cable franchise tax is based upon gross revenues and prices have increased with options, the cable franchise revenues have also gone up.

Estimated Revenue - For FY 2010-11, cable franchise revenues are projected to be $6,538,943. This is an increase of 11% over the previous year's budget.

Automobile License Fee - This revenue has historically grown in a moderate and stable manner. This partially reflects the slow growth in our population. In FY 2003-04, the City eliminated physical issuance of decals and began using the DMV State registration process to collect license fees. Because DMV has a more comprehensive vehicle discovery process, this collection process has produced additional revenue. In May 2004, the City entered into an agreement; whereupon, until delinquent license fees are satisfied, tax payers are not allowed to register vehicles. More recently, this revenue has experienced flat or declining growth, and may be attributable to several factors. Traditionally, the City has had an offsetting vehicle effect. New drivers and in-migrating families offset out-migration and vehicle driving cessation. New drivers typically come from high schools. According to school enrollment statistics, the driver age student population is declining; moreover unlike older generational traditions, some teenagers have less zeal to drive. Both factors would decrease the need for vehicles. Another diminishing factor is the graying of America. Demographically, the baby boom generation, representing a very large proportion of the population, is aging, and they are giving up their driver's licenses and selling their undriven vehicles. Lastly, the City has experienced a net out-migration of residents. When all these factors are netted against each other, there is a tendency for no growth to modest gain. When recessionary shocks occur, this tends to mitigate gains.

Estimated Revenue – Given the explained factors, further complicated by a deep recession, for FY 2010-11, automobile license fees are projected to be $8,734,363. This is 3% below the previous year's budget.



Cigarette Tax - The cigarette tax revenue trend is volatile (see adjacent graph). There are numerous factors contributing to this. Some of those factors include health awareness, non-smoking legislation, cancer litigation, prices, and competition. Overall, national consumption has generally declined. In 2008, the cigarette user population was at a low of 19.8%. Theoretically, when economic shocks occur, tobacco consumption increases. This is true for the recent recession. Consumption increased to 21% of the population and represents the first increase since 1994. Prior to the recession, between 1997 and 2004, cigarette prices jumped 63% and contributed to a consumption decline of 15%. Between 2004 and 2008, prices rose 2% and consumption decreased 1%.[13] Approximately 46 million people consume cigarettes. This compares with 50.1 million in 1965. Of those currently consuming, 10% smoke at least 25 cigarettes a day compared with 20.1 cigarettes in 1965; 34% currently smoke 15-24 cigarettes a day compared to 44% in 1965; and 56% smoke fewer than 15 cigarettes a day compared to 36% in 1965. Clearly, there is a desire to consume tobacco, but usage has shifted to what might be termed a "part-time smoker." Average usage in 1980 was 21 cigarettes per day to 13 today.[14] Historically, after a tax rate increase, this revenue declines.

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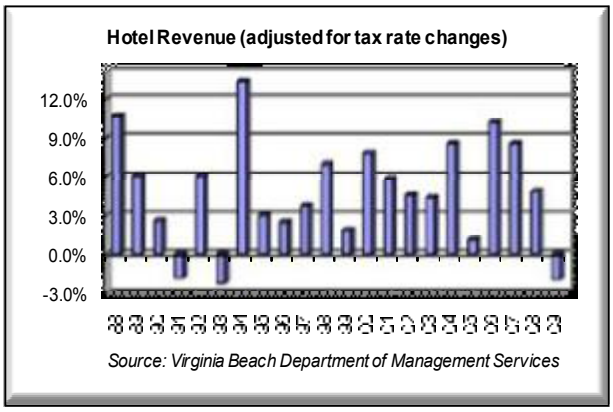
[10] Shapiro, Carolyn, December 5, 2008, *Cox Adds 13 More HD Channels*, bizworld at a glance, The Virginian-Pilot, Business section, p. 3.
[11] Shapiro, Carolyn, November 7, 2008, *Verizon Adds 55 Channels for Fios*, bizworld at a glance, The Virginian-Pilot, Business section, p. 3..
[12] Shapiro, Carolyn, October 22, 2008, *Cable Rates on the Rise*, Television, The Virginian-Pilot, Business section, p. 1 and 3.
[13] Stobbe, Mike, November 13, 2009, *Smoking Decline Hits a Rough Patch*, The Virginian-Pilot, Main section, p. 5.
[14] Beck, Melinda, January 12, 2010, *Rise of the Part-Time Smoker,* Personal Journal, Wall Street Journal, Vol. CCLV, #9, NY, NY, p. D1.

Presumably, this either encourages cessation or alternative purchasing decisions. Likely, it's a combination of both with more weight going to the latter.

Estimated Revenue - For FY 2010-11, cigarette tax revenues are projected to be $12,721,345. This is 2% below last year's budget. To focus on preserving programs supporting the business community and enhance the Economic Development Investment Program, the rate is proposed to increase from 61¢ per pack to 65¢.

Hotel Tax – With the exception of last year, over the last fifteen years, the City has been able to maintain a healthy tourism and convention oriented business growth trend. Up until last year, during this period, only 1999 and 2005 experienced modest growth. 2005's small growth was attributable to excess summer rain. The last time city hotel revenues decreased was sixteen years ago (see adjacent graph).



While Virginia Beach incurred a 2009 loss in hotel revenues, the City has fared better than other resort cities and the region. Comparative data is available for 2008 and the first quarter of 2009. Old Dominion University conducted a study and found, in 2008, hotel revenues decreased 5.3% in Hampton Roads, 3.0% in Jacksonville, FL, 2.6% in Charlotte, NC, 0.7% in Charleston, SC, and 1.9% in Richmond. Raleigh, NC realized a gain of 0.1%, and Virginia Beach gained 4.9%. In the first quarter of 2009, further deterioration occurred. During the summer, Virginia Beach's June and July average hotel room profitability measurement, called Rev-Par, decreased 12% and 3% respectively, but occupancy rates were 90%. While total revenues were slightly off, upper-end hotel average room revenues did very well.[15]

Nationally, according to the Bureau of Economic Analysis, tourism spending peaked in the third quarter of 2008. By the second quarter of 2009, it had bottomed out at 12% (comparatively, during the 2001 recession, tourism spending bottomed out at 11%). The third quarter of 2009 mitigated the decline. Lodging revenues increased 17%. The increase was driven by leisure travelers lured to inexpensive room rates. Rates dropped 4.7%.[16] In September, Virginia Beach lodging revenues climbed 22%, but it wasn't enough to carry the quarter.

While tourism has many contributing factors, one major source is Canadian visitations. Virginia Beach attracts many Canadian tourists. According to the U.S. Office of Travel and Tourism Industries, Canadian tourism in 2009 declined 5.9%, but it is forecasted to increase 3% in 2010 and 5% for the following years. Statistically, in 2008, five hundred and fifty-eight thousand Canadians visited Virginia, incurred 1,790,000 visitor nights, and spent $221 per visitor. Of those visitors, at least 43% lodged in a hotel and stayed on average 3.2 nights.

According to the Virginia Beach Convention and Visitor Bureau, last summer, tourism was good, but families used a reduced spending strategy. One savings strategy had families lodging at campsites. Typically, campsite usage is modest, but during the summer of 2009, rentals increased as much as 11.9%.[17]

Estimated Revenue - For FY 2010-11, hotel taxes are expected to be $22,659,486. This is 5.2% under the previous year's budget.

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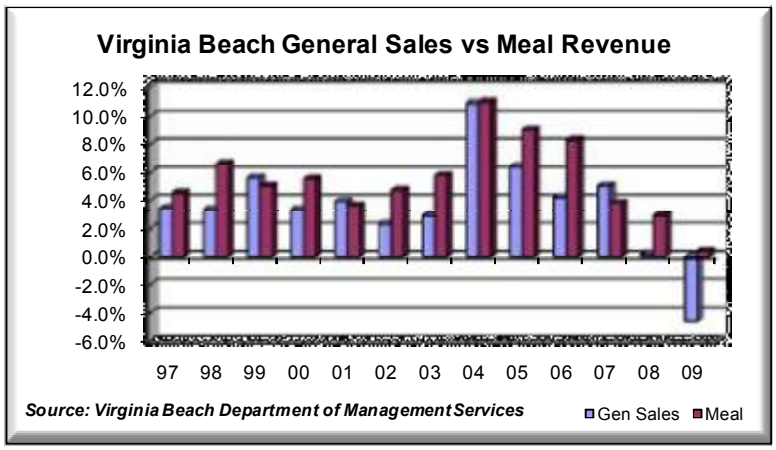
[15] Walzer, Philip, September 13, 2009, *2009 Tourism Season, Pretty Good Considering*, The Virginian-Pilot, Business section, pp. 1 and 4.
[16] Murray, Sara, December 16, 2009, *Tourism Spending Rebounds Slightly*, U.S. News, Wall Street Journal, Vol. CCLIV, #142, NY, NY, p. A2.
[17] Shean, Tom, October 15, 2009, *Tight Money Sent More Vacationers Packing – for Campgrounds*, Economy Vacation Spending, The Virginian-Pilot, Beacon, p. Princess Anne 1.

Restaurant Meal Tax – Over a period of thirteen years, this revenue has performed well; however, during the most recent recession, dining out stalled. While many Virginia Beach tax revenue sources have incurred a 2009 decrease, this revenue was the exception. It grew 0.4%. This compares unfavorably with the 2001 recession. In 2001, the revenue grew 3.6%.

Conversely, during the robust years of 2004 – 2006, growth averaged 9.4%. Likely, the availability of credit and equity fueled the growth, but by 2007, energy prices dampened the industry.



At their peak, gasoline prices reached $4 per gallon and trickled throughout the economy affecting other goods. Energy inflation touched any and every industry transporting or receiving transported goods and materials. Most industries, including restaurants, were affected. By the time these costs got to the restaurant owner, their marginal profits were feeling squeezed. When energy costs escalated, food inflation did not immediately occur. There was a lag between the two measureable periods. In 2008, food prices spiked 6.7%.[18] In 2009, not only did consumers have less discretionary income to use, but the cost of restaurant menu items rose. Faced with raising prices or using a reduced portion strategy, many restaurateurs chose a combination of both. They reduced portion sizes and raised prices. Ultimately, consumer value was reduced. With discretionary income declining, prices rising, and portion sizes diminishing, dining out declined.

According to the NPD Group, traffic at fast food restaurants declined 3% over the summer of 2009. Typically, fast food is perceived as a bargain, and during economic downturns, they are more resilient. Primarily, NPD found morning traffic waning. With more families eating breakfast at home, this has affected a very busy part of the fast food day. In 2009, Americans averaged 202 restaurant meals. This compares to 211 in 2001.[19]

A hopeful sign pertains to 2009's food price inflation. It increased a paltry 0.5%, and in 2010, it is forecast to moderately increase 2.5% to 4.0%. If unemployment begins to subside and consumer confidence rises, this revenue will likely be one of the first to signify a strengthening local economy.

According to restaurant industry experts, meals away from home are often driven by specific demographic variables. They are the percentage of women working, percentage of households with incomes higher than $25,000, and percentage of population between the ages of 25 and 44. Comparative local restaurant quality with neighboring localities can also be a factor. Local resident wealth and tourism also serve as positive factors. Finally, between 30% and 35% of meal tax revenues are generated by non residents. Hotel bookings for 2010 Virginia Beach conferences will reach an all-time high. The second highest year was 2008, and 2010 will exceed it by 18%. Virginia Beach is scheduled to host 30. Ten of them are new conventions.[20] Conventioneers will contribute significantly to this revenue.

Estimated Revenue: For FY 2010-11, total meal taxes are expected to be $48,188,033. This is 3.3% below the previous year's budget.

Admissions Taxes – Likely, the most resilient 2009 revenue, admission taxes fared well. Simply, Americans cut back on many aspects of consumerism, but they were not willing to reduce their entertainment expenses. With 610 films released

[18] The Virginian-Pilot, September 9, 2009, *Food Prices for the Home Drop in July*, businessday, nation and world, The Virginian-Pilot, Main section, p. 11.
[19] Boyle, Matthew, November 23, 2009, *What's Eating McDonald's*, Business Week, NY, NY, p. 32.
[20] Applegate, Aaron and Deirdre Fernandes, January 24, 2010, *City this Year is Scheduled to Host 30 Conferences*, beachcombing, The Virginian-Pilot, Beacon, p. 3.

in America last year,[21] theater business was robust. The latest Harry Potter movie premiered on a Wednesday. Compared to other Wednesday openings, it had the second highest revenue collection in history.[22] During the summer, national theater revenues were $4.25 billion and ran well above 2008.[23] Thanksgiving and Christmas weekend also set records.[24] At year-end, theaters broke 2007's record of $9.7 billion with over $10 billion in ticket sales. The 3-D movie Avatar pushed the industry beyond the record. Of the 242 IMAX theaters nationwide, over a ten day period, Avatar showings were completely sold out. Industry-wide, in 2009, approximately 1.4 billion tickets were sold exceeding 2008 by 5%.[25]

At the Virginia Beach Amphitheater, more than 250,000 people attended concerts. With the Dave Matthews Band and Nickelback leading the attendance pace, an average of 12,750 ticket holders attended over twenty concerts.

Estimated Revenue - For FY 2010-11 are forecasted to be $5,700,550. This is 7.6% above the previous year's budget.

Permits, Privilege Fees, and Regulatory Licenses - This represents a broad range of governmental service permits, privileges, and regulatory licenses.

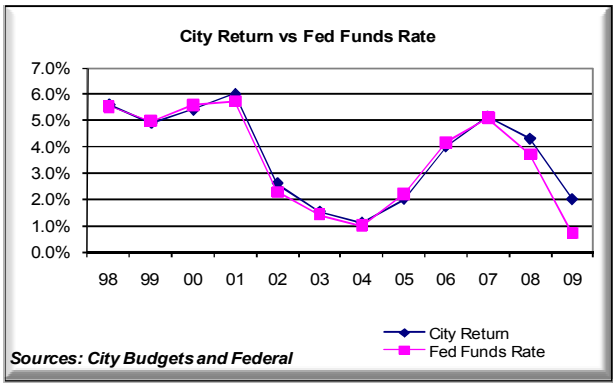
Over the last five years, these revenues have varied greatly, because rate changes, new revenue sources , and deleted fees have altered the foundation. These revenues are primarily a function of population count, population age, the economy, and real estate/construction industry activities. Because regulations and rates change, historical data is not a good forecasting tool. As a result, departmental input was used.

Estimated Revenue - For FY 2010-11, the estimated revenue for Permits, Privilege Fees, and Regulatory Licenses is $4,627,805. This is 6.9% above last year's estimate. This increase reflects the Treasurer's administrative fee for servicing court collections, an increased fee for taxi driver permits, precious metal dealer permit increases, and new special event fee rates.

Fines and Forfeitures - This represents a broad range of local government applied fines and forfeitures.

These revenues are primarily a function of population count, population age, and rate changes (e.g., parking fines). Projections are based on historical trends.

Estimated Revenue - For FY 2010-11, the estimated revenue for Fines and Forfeitures is $7,640,072. This is 3.8% below last year's estimate, and primarily reflects the effectiveness of the Red Light Camera program. As awareness increases, violations decrease.



Revenue from the Use of Money and Property - This represents a broad range of financial and physical resource revenues.

This revenue category trends with interest rates and is primarily a function of the rates and cash balances invested. Because the Federal Fund rate has been between 0% and 0.25%[26] since 2008, this has had a diminishing effect upon

[21] The Economist, November 28, 2009, *A World of Hits*, Briefing Media, pp. 79-81.
[22] Associated Press, July 21, 2009, *'Half-Blood Prince' Gets Off to a Fast Start*, Box Office, The Virginian-Pilot, Tuesday Break section, p. 5.
[23] Germain, David, September 8, 2009, *'Final Destination' Still the First Stop*, Box Office, The Virginian-Pilot, Daily Break section, p. 6.
[24] Associated Press, December 1, 2009, *'Twilight' Nearly Blindsided by Bullock Flick*, Box Office, The Virginian-Pilot, Tuesday Break section, p. 5.
[25] Smith, Ethan, December 28, 2009, *Weekend Box-Office Sales Hit Record,* Wall Street Journal, Vol. CCLIV, #151, NY, NY, p. B1.
[26] Cooper, James C., November 16, 2009, *The Fed: A Whole New Playbook for Tightening*, Business Outlook, Business Week, NY, NY, p. 022.

City returns. With a very fragile national economy, the federal rate will likely stay low for an extended period of time.[27]

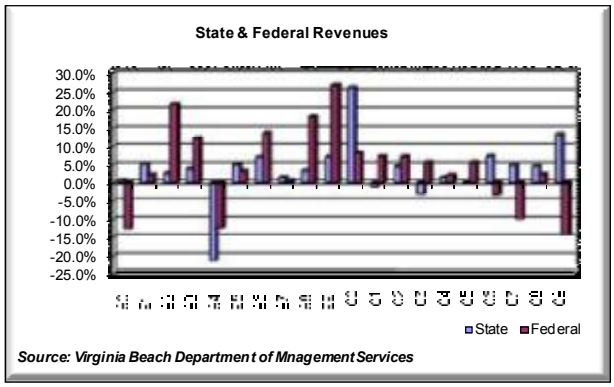
Bond sale timing and amount affects the City's invested principal. The 90-Day Treasury bill rate serves as a conservative proxy for City investment earnings.

Estimated Revenue - For FY 2010-11, the estimated revenue for Use of Money and Property is $6,073,335. This is 38.2% below last year's estimate. This primarily reflects the sustaining of low interest rates.

Charges for Services - This represents a broad range of revenues offsetting the cost of delivering services and programs.

Due to increased demand for fee-based services and additional charges for the cost of City services, these revenues have been increasing at a rather brisk pace. Most of these revenue estimates were historically trended, discussed with departments, and calculated using the prevailing rate. In FY 2007-08, to balance service delivery with costs, the Council appointed a Blue Ribbon Tax, Fee, and Spending Task Force, and they recommended regular fee increases.

Estimated Revenue - For FY 2010-11, the estimated revenue for Charges for Services is $41,512,723. This is 21.2% above last year's budget. This increase is attributed to additional Human Service related revenues, non-resident library fees, spaying and neutering fees for adopted pets, and event charges.



Source: Virginia Beach Department of Mnagement Services

State and Federal Revenue – Estimates are based on historical trends, General Assembly budget proposals, gubernatorial recommendations, and congressional processes. Because state and federal budgetary timelines lag the locality cycle, budgets are based upon speculative reports. Typically, the state and federal bicameral establishments have not jointly resolved budgetary issues by the time of this report. Further complicating the projection, there is a fair amount of volatility in these revenues (see graph).

Estimated State and Federal revenues for FY 2010-11 are $107,854,135. This is 3.1% below last year's estimate. This primarily reflects reductions in state Board of Compensation contributions for the constitutional officers, state law enforcement support, and state human service contributions.

Transfers from Other Funds – These estimates reflect the City's on-going policy of charging self-supporting and fee-generating funds for support costs financed through the General Fund.

Estimated revenue for FY 2010-11 is expected to be $14,402,973. This is 11.4% below last year's estimate and primarily reflects the one-time use of fund balance from other funds. In FY 2009-10, the balance was used to mitigate major service reductions.

Summary of General Fund Revenues - Total estimated revenue for the General Fund is expected to be 2.2% lower than last year's estimate. This primarily reflects the dramatic decline in real estate assessments, the under-performance of general sales, hotel, and meals taxes, and reduced funding from the State.

Tax Increment Financing and Special Service District Analysis

Tax Increment Financing (TIF) – When TIF districts are designated, a base taxation year is established, and additional revenues above the base year are dedicated to the district. With a specific funding need in mind, typically, the incremental

[27] The Virginian-Pilot, February 25, 2010, *Bernanke: Low Rates Needed for Recovery*, businessday, nation and world, The Virginian-Pilot, Main section, p. 9.

increase in real estate tax revenues are used to pay for the City's public purpose commitment. For example, the funding pays for Town Center and Lynnhaven Mall's public parking and Sandbridge's sand replenishment.

Presently, Virginia Beach has three TIF districts. They are the Central Business District South (CBD), Lynnhaven Mall, and Sandbridge TIFs.

Effective July 1, 1998, the CBD TIF required a public sector $83.6 million investment in the Town Center's parking garages and infrastructure; moreover a $392 million private sector investment was committed. For every $1 the City of Virginia Beach spent, the private sector spent $4.70. In FY 2007-08, the Westin Hotel, Studio 54 Lofts, and McCormick and Scmick's Seafood Restaurant were introduced to the district. Since the establishment of the TIF, real estate assessments have grown $568.8 million. In FY 2008-09, this incremental assessment growth was estimated to generate $5 million in additional revenue and is designated to pay the debt service on the $83.6 million investment. In FY 2007-08, other tax revenues generated by the TIF district, but not subject to designation, were $5.2 million.

Effective July 1, 1997, the Lynnhaven Mall TIF required a public sector $11.5 million investment in the mall's ring road, connector roads and parking spaces; moreover a $100 million private sector investment was committed. For every $1 the City of Virginia Beach spent, the private sector spent $8.70. Since the establishment of the TIF, real estate assessments have grown $233 million. In FY 2007-08, this incremental assessment growth was estimated to generate $2 million in additional revenue and was designated to pay for mass transit and roads. In FY 2007-08, other tax revenues generated by the TIF district, but not subject to designation, were $9.7 million.

Effective July 1, 1997, the Sandbridge TIF required a public sector $12.7 million investment in Sandbridge's sand replenishment. Since the establishment of the TIF, real estate assessments have grown $1.1 billion. In FY 2007-08, this incremental assessment growth was estimated to generate $10.2 million in additional revenue.

Special Service District (SSD) – When SSDs are designated, the real estate taxation rate is adjusted upward, and the incremental amount is dedicated for the district's needs.

Presently, Virginia Beach has two SSDs. They are in the CBD and Sandbridge.

Effective July 1, 2002, the Central Business District South SSD was established to generate funding for parking garage and streetscape maintenance. In FY 2007-08, this additional 50¢ per $100 generated $1.3 million. In FY 2008-09, the tax rate decreased to 45¢.

Effective January 1, 1995, the Sandbridge SSD was established to generate funding for Sandbridge sand replenishment. Over the past fifteen years, as need determined, the SSD rate fluctuated. Between January 1, 1995 and June 30, 1997, the rate was 6¢ per $100 of real estate assessed value within the district. On July 1, 1997, the rate increased to 12¢ per $100. Presently, the rate is 6¢ per $100. In FY 2007-08, the SSD generated $3.6 million. In addition to the real estate levy, the SSD receives lodging tax and Little Island Park revenues. The next sand replenishment project is scheduled for 2010.[28]

[28] Phillips, Patricia A., July 1, 2008, *The City of Virginia Beach Report on Tax Increment Financing Districts and Special Service Districts in Virginia Beach, Virginia*, City of Virginia Beach Finance Department, Virginia Beach, VA, pp. 1-7.

Special Revenue Funds

This section highlights the major Special Revenue Funds:

Schools/Education - The following funds comprise the total School operations: School Operating; School Vending Operations; School Grants; School Textbook; School Athletic; School Cafeteria; School Reserve; School Technology Category; School Equipment Replacement; School Instructional Technology; and School Communication Tower Technology. The revenue estimates for these funds are provided by the School Administration and by the state, and are based on information received from state and federal agencies at the time of the preparation of the budget, except for local tax funding which is provided by the City.

Revenue is received from three sources: Federal, State, and local governments, including local fees for charges by Schools. Federal funds are of two types. Federal revenues primarily consist of impact funds, which are allocated to Schools for use in the operation of the total instructional program to support the cost of educating military children, and funds for the School lunch program. State funds are allocated based on a two-part, General Assembly, adopted formula: 1) The Standards of Quality are used to determine the number of teachers that are required by each school system. The state also uses an average salary figure to arrive at the total level of funding. 2) A Composite Index of Local Ability to Pay is used to determine the funding split between the State and localities. Wealthy communities receive less State aid while less wealthy communities receive more. The City is responsible for the residual amount from the Composite Index (subject to a cap). Certain categorical State funds are dedicated to certain specific courses or activities, such as pupil transportation, vocational education, special education, and technology initiatives. The State Share Sales Tax (one cent on the sales dollar) is returned by the Commonwealth to localities exclusively for public education and is distributed based on the number of School age persons residing in each locality. Regarding local funds, historically, these consisted primarily of monies derived from property taxes. Because local, School Boards in Virginia are fiscally dependent bodies, they must rely on the City Council to appropriate the required local tax funds and also to approve the total budget. In FY 1997-98, the City adopted a revenue-sharing formula as a means to provide funding for Schools. The formula initially provided 53.13% of the following taxes: Real Estate; Personal Property; General Sales; Utility; Cell Phone; Business Professional License Occupancy tax, and the Cable Franchise tax. The actual percentage is recomputed after the adoption of the budget each May to reflect changes in the revenue streams and rates. A copy of the Policy is provided in the Appendix section of this document. For FY 2010-11, the real estate tax rate is proposed to increase from $0.89 to $0.92, and the personal property rate on automobiles only (not on business personal property) is proposed to increase from $3.70 to $3.80. Because this increase was at the request of the City, 100% of the increase was allocated to the City.

Estimated revenue for these funds is expected to decrease 8.1% over last year's estimate. In total, the revenue sharing formulas will decrease by 3.6%. State funding will decrease by 9.8% for FY 2010-11, and reflect the State's fiscal situation and slightly declining local enrollment.

Housing – The following funds comprise the majority of the housing operations for 2010-11: Grants Consolidated, Community Development Special Revenue, CD Loan and Grant, Federal Housing Assistance Grant, and Federal Section 8 Programs. Revenue estimates for these funds are provided by the Department of Housing and Neighborhood Preservation (HNP) and are based on information received from State and Federal agencies at the time of the preparation of the budget. Revenue is received from three sources: Federal, State, and local governments. Federal funds are received both directly through the Department of Housing and Urban Development (HUD) and indirectly through the Commonwealth. Local funds are allocated to offset administrative costs for certain salary and fringe benefits, rental of office space, and utility costs.

Estimated revenue for these funds is expected to be 2.9% below last year's estimate for FY 2010-11. This does not reflect the latest Federal revenue figures that were not available at the time this documented was printed. It also reflect the transfer of a Homeless Intervention Grant that was previously funded with the Human Services department.

Parks and Recreation - The Parks and Recreation Special Revenue Fund comprise the total operations for the Parks and Recreation Department. The Golf Course Special Revenue Fund is merged into this fund for FY 2010-11. Funding is derived from user fees and charges for the use of Parks and Recreation facilities and sponsored activities, a dedicated portion of the real estate tax to support recreation center operations, and additional support from the General Fund to support park operations.

Estimated revenue is expected to be 3.4% below last year's estimate for FY 2010-11. Modest fee increases are proposed to help offset declining usage (see discussion of fees as previously noted above in Parks and Recreation write-up under the Cultural and Recreational Opportunities section of this document).

Sheriff Department and Inmate Special Revenue Funds - Revenue is derived from three sources: Federal, State, and local governments. Revenue for the Sheriff's Department Special Revenue Fund is derived from reimbursement from State and Federal governments for the care and custody of persons placed in the Virginia Beach Correctional Center by the courts and from the City's General Fund. The Federal reimbursement is specifically related to a contractual arrangement between the City and the Federal government to house Federal prisoners when necessary. Revenue for the Inmate Services Special Revenue Fund is derived from 38% of the telephone company's gross receipts from collect calls placed by correctional center inmates. Use of the revenue is restricted to purchases that benefit the inmates but would not be made through other local funding.

Estimated revenue is expected to be 1.4% above last year's estimate for FY 2010-11, which reflects a significant use of fund balance to offset reductions in State revenues due to the poor economy. This use of fund balance that represents a short-term strategy.

Tourism Growth Investment Fund - This dedicated revenue stream was established to fund tourism related capital projects. Revenues in this fund are primarily generated from: two cents of the Hotel tax; one-half cent of the Meal tax; and the ten cent Admissions tax.

Estimated revenue is expected to be 7.9% below last year's estimate for FY 2010-11. The decline is primarily due to the to a downward adjustment to the base level of meal taxes, which performed below the budgeted amount for FY 2009-10 and has not recovered from the recessionary level, which was partially offset by a reduction in the transfer to General Fund (for services provided to the resort area). This transfer was increased by $1 million in FY 2009-10 to help balance the General Fund, and is reduced to its previously level for FY 2010-11.

Tourism Advertising Program Fund - The Tourism Advertising Program Special Revenue Fund generates revenue for increased tourist advertising by: a levy of a $1 charge per hotel room night; a one-half cent tax on Restaurant Meals; and a one cent on Hotel tax.

Estimated revenue is expected to be 9.0% below last year's estimate for FY 2010-11. The decline is primarily due to the to a downward adjustment to the base level of hotel and meal taxes, which performed below the budgeted amount for FY 2009-10 and has not recovered from the recessionary level.

Agricultural Reserve Program Fund (ARP) - This program is designed to promote and encourage the preservation of farmland in the rural southern portion of the City, in which agricultural uses predominate, by means that are voluntary rather than regulatory. Revenue was initially derived from a 1.5 cent increase in the Real Estate Tax. A financial scenario analysis, based on various participation levels (number and price of acreage) and interest rates indicated that the dedicated revenue can be reduced from 1.5 cents to 1.0 cent. Due to the rising value of real estate assessments, this level of funding was deemed sufficient to meet current and projected future commitments, and City Council lowered the dedication to 1.0 cent in FY 2004-05. A similar analysis revealed that the dedicated amount was lowered to 0.9 cent in FY 2005-06, primarily again due to rising real estate assessments.

Total revenue is expected to be 42.0% lower for FY 2010-11. The decrease reflects the one time use of fund balance in FY 2009-10 and the downturn in real estate appreciation.

Parking Enterprise Fund - This fund is totally self-supported from revenues generated through the operations of the Parking Systems Management Office, which has been moved from the Department of Convention and Visitor Bureau to the Strategic Growth Area Office. Parking lots are operated at the Oceanfront and at Sandbridge; parking meters are installed along certain streets at the Oceanfront; and the City operates garages at 9th street and 31st street at the oceanfront, and oversee the contract for the management of the Town Center garages and the structural engineering contract all the garages.

Estimated revenue is expected to increase 52.0% over last year's estimate for FY 2010-11, and is attributable to increases in meter and parking lot charges. A complete list of these changes can be found in the "Non Departmental" section of this document.

Tax Increment Financing Funds – The Code of Virginia (Sect 58.1-3245 – 3245.5) authorizes the use of Tax Incremental Financing (TIF), which can serve as a means of financing the cost of public improvement in an area. The financing mechanics work as follows: for the target geographical area covered by the TIF, the current real estate assessments are anchored as a base, and subsequent increases in real estate taxes derived from increases in assessments are earmarked to a fund from which public improvements are paid. TIF's are often set for predetermined limits, usually associated with the funding of these improvements. A substantial reduction in the Real Estate tax will affect the cash flow of these TIF's, particularly the Central Business District-South. The City has established three TIF's, which are described below:

- Sandbridge TIF - The Sandbridge area, which is an important real estate and aesthetic asset of the City, has long battled sand erosion. Over the years, the City has pursued a multi-front strategy of funding sand replenishment: seeking Federal funds; appropriating local funds; and establishing the Sandbridge Special Services Tax District (see above). The establishment of this TIF is another method to ensure stability to this area. These revenues are designed to reserve the revenue for future costs, and these revenues are transferred directly into the fund, $8,038,054 for FY 2010-11, and these figures reflect a significant decrease in real estate appreciation that is occurring after a period of exceptional growth. A financial analysis indicates that sufficient monies will be available in the future to fund sand replenishment and transfer surplus funds from the TIF to finance roadway projects in the CIP.

- Lynnhaven Mall TIF - The Lynnhaven Mall TIF is associated with a public private partnership to expand the Lynnhaven Mall, which is the third largest shopping mall in Virginia and represents an important retail asset to residents and tourists. The developer will be funding over $100 million dollars of improvements while the City will contribute $11.5 million (present value), which translates into a favorable 10:1 leverage ratio. Additionally, the City will reap the benefits of increased retail, restaurant, utility, and business license taxes. The TIF revenues are currently serving as a reserve against future costs and are transferred directly into the fund, $1,897,984 for FY 2010-11, and this level reflects the decline in commercial property values. Fund balance is appropriated for FY 2010-11 in the event the unlikely event that significant construction occurs so that the City has appropriation authority to meet its financial obligations of the TIF.

- Central Business District-South TIF (Town Center) - Town Center is associated with a public-private partnership to develop a high-rise office, hotel, and retail complex in the Pembroke area of the City. These revenues are funding the debt service costs associated with the construction of public parking, and these revenues are also transferred directly into this fund, $5,456,290 for FY 2010-11, and this level reflects the decline in commercial property values.

Open Space Special Revenue Fund – This fund provides $62.7 million in funding for the acquisition and preservation of property. The Parks and Recreation Department developed an Outdoor Plan, which includes an Open Space initiative. This plan was developed with public input, and calls for the preservation of approximately 5% of the City's land for parks, trails or natural vistas. There is some empirical data that suggests open space bolsters property values and cited as factors in appeals to relocation decisions for businesses. The source of funding for this plan includes: $0.44 cent increase in the Restaurant Meal tax; and a one-time $5 million transfer from the ARP fund, fund balance. The fund has been appropriating a planned use of fund balance that grew in the early years of the fund and is now being appropriated to acquire and maintain land via the Capital Improvement Program. Because the Open Space Program has nearly achieved its goal of acquiring land, a two-year moratorium of the allocation of funding to specific Open Space CIP project was implemented in FY 2010-11. This is discussed more thoroughly in the "Cultural and Recreational Opportunities" overview in the Capital Improvement Program budget.

Estimated revenue is expected to decrease by 0.5% from FY 2009-10. The decline is primarily due to the to a downward adjustment to the base level of meal taxes, which performed below the budgeted amount for FY 2009-10 and has not recovered from the recessionary level.

Major Project Special Revenue Fund - This fund provides funding for $203.3 million for a completely rebuilt Convention Center on the existing site; $32.3 million for a new performance theater; and $3 million to expand the Virginia Aquarium and Marine Science Center parking facilities. Staff and public-private committees analyzed the scope and selection of these projects, and citizen input was received at two public hearings. The source of funding for these projects include: a $0.56 cent increase in the Restaurant Meal tax; a $2.5 cent increase in the Hotel tax; a 0.5 cent per pack in the Cigarette tax; a $10 million contribution from the State; and 80% of the Admissions tax diverted from TGIF.

Estimated revenue is expected to decrease by 4.9% from FY 2009-10. The decrease is attributable to the reduced need for Specific Fund Reserves (accumulation of excess revenues that over time are drawn down to fund the debt service over the life cycle of the fund), which is associated with the retirement of debt, and the decrease in meal and hotel taxes associated with the economic downturn.

Enterprise/Utility Funds

Water and Sewer - The Water and Sewer Fund operates as a self-supporting enterprise fund, meaning that all operating and debt service costs are financed/recovered primarily through user charges. Historically, major sources of revenue for operation of the water and sewer system include: Sale of Water; Water Service Charges; Sewer Charges; Interest on Bank Deposits; Sewer Main Extensions; and Sewer Line Fees. The charges for the sale of water are actually projected to decrease; however, this budget will implement a Right-of-Way Utility Transfer of $1.85 per month. Many localities in the state, including ones in Hampton Roads, impose similar charges. In FY 2011-12, the Public Utilities department will implementation of a four-year, stepped sewer rate increase to support capital and operating budget impacts of the regional consent order. This is discussed more in the Public Utilities budget discussion in the Quality Physical Environment section of this document.

Estimated revenue is expected to increase by 4.0% more than the FY 2009-10 budget. These increases reflect the new charge discussed above.

Storm Water Utility Enterprise Fund - This fund is also self-supported through two sources of revenues: charges for services and reimbursements from the Commonwealth of Virginia. Charges for services are billed by the utility to owners of developed properties within the City. These charges are dependent upon the amount of impervious surface at each property generating storm water run-off. The State reimburses the City, upon audited proof of work performed by the City, for road ditch maintenance.

Estimated revenue is expected to decrease by 4.1% over the FY 2009-10 budget, and primarily reflects a shift of $2.7 million of State funding from the Storm Water Fund to the General Fund. This will result in the delay of three Storm Water capital projects.

Council Amendment

On May 11, 2010, City Council voted to maintain the tax rate increase for real estate at 89 cents rather than the proposed rate of 92 cents. The personal property tax rate will remain at $3.70 rather than the proposed rate of $3.80. Additionally, City Council voted to change the proposed increase in the Animal Adoption Fee (fee will remain at $25 for dogs rather than the proposed increase to $50, and will remain at $20 for cats rather than the proposed increase to $40); and to modify the proposed Taxi Cab Fee to $50 every two years (previous fee was $10 annually and proposed increase was to $100 annually), and institute an annual Taxi Cab Inspection Fee of $50.

SUMMARIES

Financial Structure

The City of Virginia Beach's budgetary policies conform to generally accepted accounting principles as applicable to governmental accounting. A summary of the City's financial structure follows.

The accounting system used by the City is organized and operated on a fund basis. A fund is defined as a separate, self-balancing set of accounts which is segregated for the purpose of carrying on specific activities or attaining certain objectives. Each fund is comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The City's resources are accounted for in individual funds based upon the purposes for which they are to be spent and controlled.

There are basically three fund categories used by the City of Virginia Beach: Governmental, Proprietary, and Fiduciary Funds.

Governmental Funds

Most of the governmental functions of the City are financed in governmental funds. These funds focus on the sources and uses of the City's current expendable financial resources for the purpose of determining financial position. The following are the City's governmental fund types:

General Fund – This is the chief operating fund of the City. General Fund revenues are derived from property and other local taxes, permits, privilege fees, regulatory licenses, fines and forfeitures, use of property fees, charges for services, State and Federal government aids, and transfers from other funds. (See Glossary of Terms for definition of revenue terms).

Special Revenue Funds – These funds are used to account for all resources which are restricted for specific purposes. Examples: Community Development Special Revenue Fund, Grants Consolidated Special Revenue Fund, and Sheriff's Department Special Revenue Fund. Beginning July 1, 2010, this requirement from the Governmental Accounting Standards Board completely changed the reporting requirements for Special Revenue Funds (Major Projects, Tourism Growth Investment Fund, etc.) making revenues the determining factor in the budgeting of these funds. Under GASB 54, Special Revenue Funds are required to have their own unique source of revenue; transfers can no longer serve as the primary source of revenues, and the actual source of the revenue must be shown.

Capital Projects Funds – Financial resources to be used for acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds) are accounted for in these funds. Examples: School General Revenue Capital Projects Fund; General Government Capital Projects Fund; Water and Sewer Capital Projects Fund; and Storm Water Capital Projects Fund.

Debt Service Fund – Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Example: General Debt Fund.

Proprietary Funds

City activities that function primarily as investor-owned business enterprises are generally set up as proprietary funds. The measurement focus of these funds is to determine their net income, financial position, and changes in financial position. There are two types of proprietary funds used:

Enterprise Funds – The Enterprise funds are used to account for the operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriated for capital maintenance, public policy, management control, accountability, or other purposes. Examples: Parking Enterprise Fund, and Storm Water Utility Enterprise Fund.

Internal Service Funds – These funds are used for the financing of goods or services provided by one City department or agency to other departments or agencies, or to other governments, on a cost-reimbursement basis. Examples: Print Shop Internal Service Fund, and City Garage Internal Service Fund.

Fiduciary Funds

Trust and Agency Funds – These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. Example: Health Insurance Trust Fund.

Financial Management

The following policies have been employed by the government to be used as the basis for guiding short-and long-term budget and Capital Improvement Program planning:

Resource Direction and Guidance

The City's current fiscal condition is excellent. City Council continues to improve that condition, allowing the community to look toward strategic goals from a position of strength. Indicators of our excellent fiscal condition include: a healthy fund balance; an AAA bond rating; and relatively low per capita spending. The Resource Management Plan will continue City Council's basic fiscal policies for fiscal year 2010-11:

- Maintain, to the extent possible, existing services, levels of service, and infrastructure.
- Position the City to withstand local and regional economic disruptions.
- Meet the demands of natural growth, decline, and change.
- Help maintain the City's ability to shape its fiscal and community future.
- Ensure that the citizens understand and support the need for fiscal sustainability and the policies through which it is achieved.
- Maintain a diverse tax structure that provides for quality basic services and minimizes the need for future real estate tax rate increases.
- Maintain the debt policies established by Council and monitor them, making recommended changes as circumstances demand.
- Provide for special services and projects through special dedicated revenue generation (i.e., Tourism Growth Investment Fund, Major Projects Special Revenue Fund, and Tourism Advertising Program Special Revenue Fund).

Resource Process

The City uses a modified zero base budget approach centered on programs with supporting performance measures. During the budget process, departments are asked to submit their budget.

Once the budget is submitted to the Department of Management Services, account clerks audit the budget proposal for mathematical accuracy. Then, analysts review the budget to determine if the amount of funding requested is appropriate based on the following criteria: Is the request supported by the change in performance measures? Does it further a Council goal? Does it further the City's strategic plan? Is it a State or Federal mandate? Is it supported by other revenue sources? Is it a public safety or health issue? Will it provide savings in the future?

Once the budget has been thoroughly reviewed by Management Services, a recommendation is forwarded to the City's seven strategic issue teams that are formed around business areas. Each of the teams review Management Services' recommendation, and they provide a recommendation to the Budget Caucus based on whether the requests further the City's strategy. A budget caucus, made up of all members of the strategic issue teams, reviews each of the strategic issue teams recommendations, and provides a final recommendation to the Management Leadership Team (the City Manager and three chiefs). The MLT makes a final decision on what items are included in the budget that is presented to City Council.

The Capital Improvement Program follows a similar process.

Operating Budget Policies

- The budget will be balanced on current revenue to expenditure basis.

- Unencumbered budget appropriations, except for those for capital projects and grants, will lapse at the close of the fiscal year.

- The appropriation ordinance establishes the legal level of budgetary control. Other levels of budgetary control may be set by the City Manager (see the appendix section of the Operating Budget for a current copy of this policy).

- The City will seek to provide for adequate maintenance and replacement of capital equipment and facilities over time.

- The City will seek to maintain a diversified and stable revenue system so that it can mitigate short-term fluctuations in one type or source of revenue and avoid over-dependency on any single source.

- The City will set fees and user charges for each self-supporting enterprise fund (e.g., Water and Sewer and Storm Water) at a level that fully supports the costs of the fund to include operation, maintenance, capital replacement, indirect cost, depreciation, renewals, and debt service. It will also regularly review all fees/charges, including those in the General Fund, and will seek where appropriate, to base fees/charges on costs and/or on the rates charged by the private sector.

- The City shall annually prepare a five-year forecast of revenues and expenditures and its implications for services and policies.

- The City Manager may include in the budget a general fund regular reserve for contingencies of ½ or 1% of the General Fund budget.

Fund Balance Policies

- The budget will include an estimate of the Undesignated Fund Balance.

- The Undesignated Fund Balance or retained earnings of any fund shall not be used to finance continuing expenditures.

- Following the Government Finance Officers Association recommendation that general-purpose governments maintain unreserved fund balance in their general fund of no less than 5% to 15% of regular general fund operating revenues, the City shall maintain an undesignated fund balance of 8% to 12% of the following year's projected revenues. This level equates to approximately one month of operating expenses.

Capital Improvement Program Policies

- To qualify as a capital project, a project must be a major expenditure for: design and/or construction of fixed works, structures, additions, replacements, major alterations, modernizations, or renovations; or purchase of land and existing structures, including right-of-ways, title searches, and similar activities, such as acquisition of major pieces of equipment. Other specialized projects may also be considered for the CIP if it is ongoing in nature or requires multi-year funding. The project must have a cost over $50,000 or be of such a significant nature as to prevent its funding through the Operating Budget.

- In reviewing competing needs above those which can be met with legally available Charter Bond capacity, the decision to fund a capital project with bond referenda rather than Charter bonds is based on the following criteria: 1) the project is not considered to be in an "essential" category (roads, schools, and public safety); 2) there is no prior commitment by the government; and 3) the project exceeds $2 million in local costs.

- A project is eligible for lease/purchase financing if it is considered an essential project or is a non-essential project not requiring referendum funding, and when the City Manager believes that costs are not prohibitive and that the interest of the government is served.

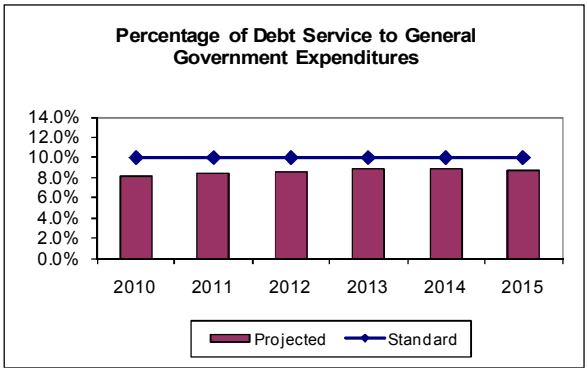
- The City will program $6.25 million from non-borrowed funds and approximately 25% of the annual capital program for the Water and Sewer system for the financing of capital improvements. The City will seek to increase those amounts where feasible.

- Any tax rate increases adopted in conjunction with voter-approved bond referendums or by dedicated City Council policy will be structured and used to support all costs associated with the projects, including debt service, and appropriate operating and maintenance costs.

Debt Management Policies

- The City issues bonds for capital improvements with a cost in excess of $250,000, or which cannot be financed from current revenues.

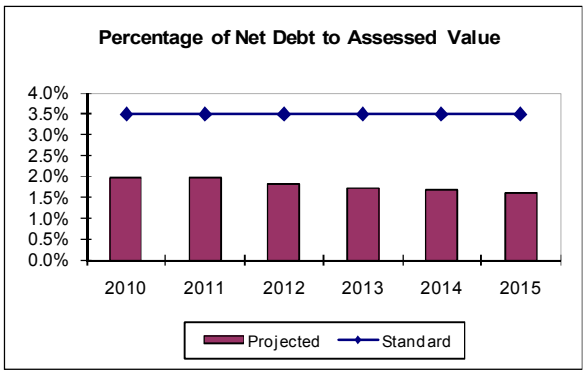
- When the City finances capital projects by issuing bonds, it will retire the debt within a period not to exceed the expected-useful life of the projects. The City has not historically issued, and does not anticipate issuing short-term debt in the form of tax or revenue anticipation notes. Rather, the City shall maintain sufficient cash balances. Such short-term debt may be issued where normal cash flow has been disrupted due to natural disaster or unexpected delays in the receipt of Federal or State revenues.



- The threshold of debt service for general government supported debt as a percentage of general government expenditures is 10%.

- Total General Obligation Net Debt will not exceed 3.5% of assessed value.

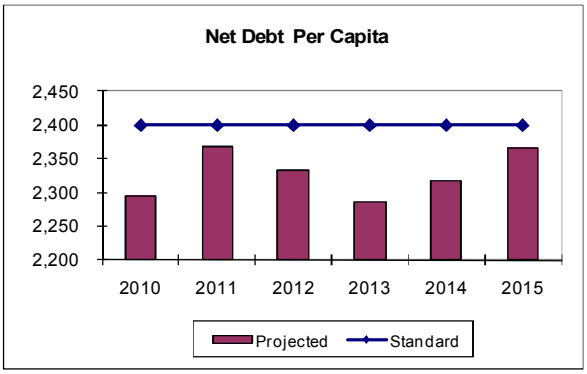
- Where possible, the City will develop, authorize, and issue revenue, special fee, or other self-supporting debt instruments instead of General Obligation Bonds.



- The debt structure of the government will be managed in a manner that results in minimal deviation from the indicators listed in this policy.

- The City will regularly evaluate its adherence to its debt policies. It will promote effective communications with bond rating agencies and others in the market place based upon full disclosure.

- Total Net Debt per capita will not exceed $2,400 per capita. As a result of the issuance of debt for the Major Projects and Open Space Initiatives, the City is approaching the debt level to the limit. However, these issuances were discussed with Bond Council and bond rating agencies. Given the bright prospects for both of these initiatives as well as the City's historical record of prudent financial management, this level of debt can be supported without negatively impacting the City's bond rating. It is further important to note that the City's population growth has unexpectedly slowed considerably since the initial policy decision was made to issue this debt. This affects this calculation in that debt is spread over a smaller than anticipated population. As noted in the graph, if debt associated with the Convention Center, Theater, and Open Space Program are excluded, the City would barely exceed its old, very conservative threshold.



- Also, Net Debt to Income Per Capita should not exceed 6.5%, and is comfortably below this threshold for each year (data not displayed in a graph).

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
002 General Fund			
Appropriation Units:			
Agriculture	857,128	860,134	767,127
Benefits Administration	814,890	770,097	662,283
Board of Equalization	9,157	19,130	16,732
Circuit Court	1,012,602	998,897	957,408
City Attorney	3,654,284	3,875,841	3,560,843
City Auditor	588,955	576,573	577,486
City Clerk	634,629	626,129	542,324
City Manager	3,417,339	3,069,307	2,690,963
City Real Estate Assessor	2,933,922	3,114,292	2,809,634
City Treasurer	5,089,968	5,081,452	4,654,443
Clerk of the Circuit Court	2,760,181	2,529,706	2,775,084
Commissioner of the Revenue	3,899,329	3,837,797	3,677,713
Commonwealth's Attorney	7,490,323	7,260,080	7,206,253
Communications and Information Technology	19,038,697	21,989,748	21,690,104
Community Organization Grants	602,254	525,662	379,257
Convention and Visitor Bureau	8,712,432	9,337,699	8,686,242
Cultural Affairs	2,267,064	2,512,233	2,353,957
Director of Finance	4,626,978	4,948,121	4,691,216
Economic Development	2,656,922	2,045,444	2,098,549
Emergency Communications and Citizen Services	9,921,531	9,168,294	9,195,864
Emergency Medical Services	6,742,994	7,228,263	7,119,054
Employee Special Benefits	7,711,487	4,656,199	3,878,361
Fire	41,780,191	42,727,434	42,292,935
General District Court	448,612	320,995	494,693
General Registrar	1,498,690	1,264,732	1,124,916
Health	3,071,024	3,453,359	3,041,377
Housing and Neighborhood Preservation	1,723,431	1,793,186	1,679,325
Human Resources	4,376,505	4,536,071	4,222,079
Human Services	106,600,304	111,911,865	110,301,394
Independent Financial Services	134,144	153,878	153,878
Juvenile and Domestic Relations District Court	160,246	162,320	143,839
Juvenile Probation	1,724,650	2,357,474	2,223,523
Leases	0	0	1,586,830
Library	15,403,708	16,662,951	15,416,849
Magistrates	127,727	130,910	97,296
Management Services	3,642,520	4,034,514	1,448,304
Mass Transit Operations	2,879,034	2,907,059	2,992,155
Municipal Council	595,247	587,139	553,348
Museums	8,150,494	9,631,189	9,421,107
Outstanding Encumbrances	6,121,001	0	0
Parks and Recreation	12,817,137	13,691,224	12,468,357
Planning	10,128,984	10,145,290	9,496,344
Police	83,979,364	87,645,513	86,631,319
Public Works	90,602,727	91,816,871	94,319,811
Regional Participation	2,033,150	2,078,758	1,933,213
Reserve for Contingencies	0	2,640,056	646,441
Revenue Reimbursements	15,997,512	15,928,947	16,411,728
Strategic Growth Area	583,721	796,572	1,413,863

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
002 General Fund			
Appropriation Units:			
Transfer to Other Funds	499,034,924	486,585,316	458,457,521
Vehicle Replacements	2,712,895	3,111,914	3,111,914
Wetlands Board of Virginia Beach	7,727	14,331	14,331
Zoning Board of Appeals	27,969	41,789	35,501
Fund 002 Appropriation Totals	1,011,806,704	1,012,162,755	973,125,088
Revenue Sources:			
Revenue From Local Sources			
Business License	41,078,911	40,556,906	40,771,644
Amusement Tax	12,560	5,136	0
Real Estate	493,336,343	479,671,814	455,888,161
Utility Tax	46,310,576	49,393,006	47,253,219
Cigarette Tax	10,608,167	11,875,238	11,742,780
Other Taxes	14,540,697	13,429,282	15,598,883
Fines and Forfeitures	5,062,880	7,582,961	7,276,472
From the Use of Money and Property	8,734,502	9,824,843	5,456,582
General Sales Tax	51,579,706	51,129,941	50,596,245
Automobile License	8,962,613	9,050,812	8,734,363
Restaurant Meal Tax	30,787,662	31,714,821	30,665,113
Hotel Room Tax	5,226,805	5,353,161	5,148,596
Miscellaneous Revenue	3,975,725	4,557,551	5,106,508
Charges for Services	30,646,570	34,464,207	35,710,775
Personal Property	77,463,136	119,922,496	118,574,744
Permits, Privilege Fees, and Regulatory Licenses	4,143,992	4,329,835	4,627,805
Revenue from the Commonwealth			
Other Sources from the Commonwealth	84,787,594	87,969,208	88,961,841
Revenue from the Federal Government	22,330,617	23,080,989	22,608,384
Specific Fund Reserves	53,480,298	12,000,000	0
Transfers from Other Funds	18,737,350	16,250,548	18,402,973
Fund 002 Revenue Totals	1,011,806,704	1,012,162,755	973,125,088
098 School Reserve Special Revenue Fund			
Appropriation Units:			
Transfer to Other Funds	0	0	13,000,000
Fund 098 Appropriation Totals	0	0	13,000,000
Revenue Sources:			
Specific Fund Reserves	0	0	13,000,000
Fund 098 Revenue Totals	0	0	13,000,000
106 School Technology Category Special Revenue Fund			
Appropriation Units:			
Technology	0	23,747,407	23,346,140
Fund 106 Appropriation Totals	0	23,747,407	23,346,140
Revenue Sources:			
Specific Fund Reserves	0	23,747,407	0
Transfers from Other Funds	0	0	23,346,140
Fund 106 Revenue Totals	0	23,747,407	23,346,140

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
107 School Equipment Replacement Special Revenue Fund			
Appropriation Units:			
Reserve for Contingencies	0	653,292	1,784,597
Fund 107 Appropriation Totals	0	653,292	1,784,597
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	41,235	0	0
Specific Fund Reserves	1,892,725	653,292	1,784,597
Fund 107 Revenue Totals	1,933,960	653,292	1,784,597
108 School Instructional Technology Fund			
Appropriation Units:			
Instructional Technology	7,158,146	2,915,947	2,915,947
Fund 108 Appropriation Totals	7,158,146	2,915,947	2,915,947
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	720,500	0	0
Miscellaneous Revenue	5,674,146	0	0
Specific Fund Reserves	763,500	2,915,947	2,915,947
Fund 108 Revenue Totals	7,158,146	2,915,947	2,915,947
109 School Vending Operations Fund			
Appropriation Units:			
Athletic	472,376	584,799	570,539
Fund 109 Appropriation Totals	472,376	584,799	570,539
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	13,421	25,000	10,000
Miscellaneous Revenue	458,955	200,000	180,000
Specific Fund Reserves	0	359,799	380,539
Fund 109 Revenue Totals	472,376	584,799	570,539
112 School Communication Tower Technology Fund			
Appropriation Units:			
Instructional Technology	404,792	560,000	560,000
Fund 112 Appropriation Totals	404,792	560,000	560,000
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	404,792	260,000	260,000
Specific Fund Reserves	0	300,000	300,000
Fund 112 Revenue Totals	404,792	560,000	560,000

City of Virginia Beach, Virginia
Expenditures and Revenues

		FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
114 School Cafeteria Fund				
Appropriation Units:				
Cafeteria		26,084,462	27,479,469	27,240,915
	Fund 114 Appropriation Totals	26,084,462	27,479,469	27,240,915
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		13,984,508	16,323,753	16,323,753
From the Use of Money and Property		30,961	100,000	36,000
Miscellaneous Revenue		447,814	140,000	140,000
Revenue from the Commonwealth				
Other Sources from the Commonwealth		416,474	330,000	330,000
Revenue from the Federal Government		11,204,705	10,585,716	10,411,162
	Fund 114 Revenue Totals	26,084,462	27,479,469	27,240,915
115 School Operating Fund				
Appropriation Units:				
Administration, Attendance, and Health		19,160,164	22,389,102	21,459,974
Instruction		524,582,683	526,877,728	499,178,942
Operations and Maintenance		90,159,214	91,770,818	88,975,773
Pupil Transportation		33,326,146	30,327,210	29,545,861
	Fund 115 Appropriation Totals	667,228,207	671,364,858	639,160,550
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		1,532,520	2,793,070	2,691,652
From the Use of Money and Property		588,237	465,000	465,000
Miscellaneous Revenue		1,160,027	472,000	672,000
Revenue from the Commonwealth				
State Shared Sales Tax		69,168,038	72,941,384	67,116,477
Other Sources from the Commonwealth		292,200,624	244,048,575	240,022,578
Revenue from the Federal Government		14,100,022	14,636,723	16,636,723
Specific Fund Reserves		0	800,000	0
Transfers from Other Funds		331,998,500	335,208,106	311,556,120
	Fund 115 Revenue Totals	710,747,968	671,364,858	639,160,550
116 School Grants Fund				
Appropriation Units:				
Grants		33,861,104	92,970,157	74,483,318
	Fund 116 Appropriation Totals	33,861,104	92,970,157	74,483,318
Revenue Sources:				
Revenue From Local Sources				
Miscellaneous Revenue		0	3,013,324	2,462,768
Revenue from the Commonwealth				
Other Sources from the Commonwealth		7,620,959	20,546,151	15,491,669
Revenue from the Federal Government		26,240,145	69,410,682	56,528,881
	Fund 116 Revenue Totals	33,861,104	92,970,157	74,483,318

City of Virginia Beach, Virginia
Expenditures and Revenues

		FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
117 School Textbook Fund				
Appropriation Units:				
Textbook		2,942,922	8,648,337	6,522,370
	Fund 117 Appropriation Totals	2,942,922	8,648,337	6,522,370
Revenue Sources:				
Revenue From Local Sources				
Miscellaneous Revenue		90,854	3,462,992	3,174,577
From the Use of Money and Property		385,403	100,000	100,000
Charges for Services		366	6,000	0
Revenue from the Commonwealth				
Other Sources from the Commonwealth		5,173,780	5,079,345	3,247,793
	Fund 117 Revenue Totals	5,650,403	8,648,337	6,522,370
119 School Athletic Special Revenue Fund				
Appropriation Units:				
Athletic		4,570,363	4,752,933	4,752,933
	Fund 119 Appropriation Totals	4,570,363	4,752,933	4,752,933
Revenue Sources:				
Revenue From Local Sources				
Miscellaneous Revenue		4,244,734	4,199,585	4,199,585
Charges for Services		479,509	484,348	484,348
From the Use of Money and Property		57,619	45,000	45,000
Specific Fund Reserves		0	24,000	24,000
	Fund 119 Revenue Totals	4,781,862	4,752,933	4,752,933
130 Law Library Fund				
Appropriation Units:				
Library		184,026	223,307	270,758
Outstanding Encumbrances		1,753	0	0
Reserve for Contingencies		0	5,300	4,790
Transfer to Other Funds		61,277	60,000	57,252
	Fund 130 Appropriation Totals	247,056	288,607	332,800
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		322,097	281,520	325,000
From the Use of Money and Property		7,765	7,087	7,800
Specific Fund Reserves		1,753	0	0
	Fund 130 Revenue Totals	331,615	288,607	332,800

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
142 DEA Seized Property Special Revenue Fund			
Appropriation Units:			
Commonwealth's Attorney	82,324	114,500	200,000
Outstanding Encumbrances	194,136	0	0
Police	672,520	0	0
Transfer to Other Funds	108,513	45,500	0
Fund 142 Appropriation Totals	1,057,493	160,000	200,000
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	33,949	0	0
Miscellaneous Revenue	2,883	0	0
Revenue from the Commonwealth			
Other Sources from the Commonwealth	232,419	0	0
Revenue from the Federal Government	8,489	0	0
Specific Fund Reserves	779,753	160,000	200,000
Fund 142 Revenue Totals	1,057,493	160,000	200,000
147 Federal Section 8 Program Special Revenue Fund			
Appropriation Units:			
Housing and Neighborhood Preservation	14,214,689	16,526,020	16,273,088
Outstanding Encumbrances	1,149	0	0
Transfer to Other Funds	19,974	754	0
Fund 147 Appropriation Totals	14,235,812	16,526,774	16,273,088
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	34,158	24,000	24,000
Charges for Services	32,621	15,000	15,000
Revenue from the Federal Government	15,987,847	16,409,672	16,153,087
Specific Fund Reserves	1,149	0	0
Transfers from Other Funds	256,606	78,102	81,001
Fund 147 Revenue Totals	16,312,381	16,526,774	16,273,088
149 Sheriff's Department Special Revenue Fund			
Appropriation Units:			
Outstanding Encumbrances	478,912	0	0
Reserve for Contingencies	0	0	300,000
Sheriff and Corrections	34,739,996	35,325,573	35,565,921
Transfer to Other Funds	161,962	0	0
Fund 149 Appropriation Totals	35,380,870	35,325,573	35,865,921
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	2,819,222	2,288,255	2,539,443
From the Use of Money and Property	15,980	0	0
Miscellaneous Revenue	45,486	37,960	0
Revenue from the Commonwealth			
Other Sources from the Commonwealth	18,638,322	19,381,205	17,607,506
Revenue from the Federal Government	887,930	321,200	240,900
Specific Fund Reserves	478,912	652,703	3,303,658
Transfers from Other Funds	13,241,171	12,644,250	12,174,414
Fund 149 Revenue Totals	36,127,023	35,325,573	35,865,921

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
150 Inmate Services Special Revenue Fund			
Appropriation Units:			
Outstanding Encumbrances	2,246	0	0
Reserve for Contingencies	0	1,551	0
Sheriff and Corrections	591,613	668,608	854,024
Transfer to Other Funds	274,551	274,551	274,551
Fund 150 Appropriation Totals	868,410	944,710	1,128,575
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	856,169	929,710	849,975
From the Use of Money and Property	17,197	15,000	15,000
Specific Fund Reserves	2,246	0	263,600
Transfers from Other Funds	2,421	0	0
Fund 150 Revenue Totals	878,033	944,710	1,128,575
151 Parks and Recreation Special Revenue Fund			
Appropriation Units:			
Outstanding Encumbrances	271,747	0	0
Parks and Recreation	26,726,453	28,214,186	27,776,049
Public Works	2,729,447	2,694,270	2,577,098
Reserve for Contingencies	0	142,545	0
Transfer to Other Funds	349,042	289,550	302,003
Fund 151 Appropriation Totals	30,076,689	31,340,551	30,655,150
Revenue Sources:			
Revenue From Local Sources			
Permits, Privilege Fees, and Regulatory Licenses	4,982	0	0
From the Use of Money and Property	1,215,156	1,271,306	1,305,713
Miscellaneous Revenue	50,602	37,000	3,000
Charges for Services	13,045,212	13,628,057	13,785,688
Revenue from the Commonwealth			
Other Sources from the Commonwealth	0	0	55,000
Revenue from the Federal Government	1,525	1,000	1,000
Specific Fund Reserves	643,911	0	0
Transfers from Other Funds	16,565,612	16,403,188	15,504,749
Fund 151 Revenue Totals	31,527,000	31,340,551	30,655,150

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
152 Tourism Growth Investment Fund			
Appropriation Units:			
Convention and Visitor Bureau	100,000	100,000	100,000
Cultural Affairs	50,500	50,500	50,500
Mass Transit Operations	427,722	590,000	590,000
Outstanding Encumbrances	10,723	0	0
Parks and Recreation	31,930	33,210	33,343
Public Works	776,444	835,161	873,262
Strategic Growth Area	3,091,189	3,184,763	3,091,656
Transfer to Other Funds	9,427,750	10,144,800	9,022,466
Fund 152 Appropriation Totals	13,916,258	14,938,434	13,761,227
Revenue Sources:			
Revenue From Local Sources			
Amusement Tax	1,082,041	1,059,119	1,140,110
Hotel Room Tax	6,526,239	6,774,356	6,435,745
Fines and Forfeitures	706,777	943,278	943,278
Permits, Privilege Fees, and Regulatory Licenses	62,101	72,091	72,091
Restaurant Meal Tax	4,379,200	4,528,700	4,380,730
From the Use of Money and Property	704,452	523,040	539,273
Specific Fund Reserves	205,448	787,850	0
Transfers from Other Funds	250,000	250,000	250,000
Fund 152 Revenue Totals	13,916,258	14,938,434	13,761,227
157 Sandbridge Special Service District Spec Rev Fd			
Appropriation Units:			
Transfer to Other Funds	3,460,626	3,336,076	4,570,000
Fund 157 Appropriation Totals	3,460,626	3,336,076	4,570,000
Revenue Sources:			
Revenue From Local Sources			
Other Taxes	920,264	863,538	800,000
Hotel Room Tax	82,638	74,582	63,360
Real Estate	826,275	755,302	653,647
From the Use of Money and Property	58,552	80,680	86,566
Specific Fund Reserves	0	47,124	1,155,504
Transfers from Other Funds	1,873,472	1,514,850	1,810,923
Fund 157 Revenue Totals	3,761,201	3,336,076	4,570,000
161 Agriculture Reserve Program Special Revenue Fund			
Appropriation Units:			
Agriculture	169,384	159,827	159,371
Future C.I.P. Commitments	0	700,140	12,629
Transfer to Other Funds	3,213,130	7,034,647	8,404,138
Fund 161 Appropriation Totals	3,382,514	7,894,614	8,576,138
Revenue Sources:			
Specific Fund Reserves	0	3,070,241	4,000,000
Transfers from Other Funds	4,768,375	4,824,373	4,576,138
Fund 161 Revenue Totals	4,768,375	7,894,614	8,576,138

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
163 Tourism Advertising Program Special Revenue Fund			
Appropriation Units:			
Convention and Visitor Bureau	9,556,746	9,992,642	9,089,324
Outstanding Encumbrances	11,584	0	0
Transfer to Other Funds	111,348	56,838	56,838
Fund 163 Appropriation Totals	9,679,678	10,049,480	9,146,162
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	51,811	40,000	40,000
Restaurant Meal Tax	4,379,200	4,528,700	4,380,730
Charges for Services	140,961	306,950	100,950
Hotel Room Tax	4,593,503	4,914,563	4,576,040
From the Use of Money and Property	47,607	48,442	48,442
Specific Fund Reserves	466,596	210,825	0
Fund 163 Revenue Totals	9,679,678	10,049,480	9,146,162
165 Lynnhaven Mall Tax Increment Financing Fund			
Appropriation Units:			
Reserve for Contingencies	0	103,527	0
Tax Increment Financing	1,171,148	2,050,000	2,100,000
Fund 165 Appropriation Totals	1,171,148	2,153,527	2,100,000
Revenue Sources:			
Revenue From Local Sources			
Real Estate	2,064,661	2,153,527	1,897,984
From the Use of Money and Property	20,640	0	0
Specific Fund Reserves	0	0	202,016
Fund 165 Revenue Totals	2,085,301	2,153,527	2,100,000
166 Sandbridge Tax Increment Financing Fund			
Appropriation Units:			
Future C.I.P. Commitments	0	9,000,000	8,261,274
Transfer to Other Funds	9,744,374	868,924	0
Fund 166 Appropriation Totals	9,744,374	9,868,924	8,261,274
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	177,297	260,188	223,220
Real Estate	10,414,174	9,369,273	8,038,054
Specific Fund Reserves	0	239,463	0
Fund 166 Revenue Totals	10,591,471	9,868,924	8,261,274
167 Arts and Humanities Commission Spec Rev Fd			
Appropriation Units:			
Transfer to Other Funds	0	37,237	0
Fund 167 Appropriation Totals	0	37,237	0
Revenue Sources:			
Specific Fund Reserves	0	37,237	0
Fund 167 Revenue Totals	0	37,237	0

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
169 Central Business District-South TIF (Twn Cntr) Fd			
Appropriation Units:			
Future C.I.P. Commitments	0	500,000	500,000
Reserve for Contingencies	0	119,880	119,919
Tax Increment Financing	4,744,906	0	0
Transfer to Other Funds	5,296,567	5,681,054	5,614,117
Fund 169 Appropriation Totals	10,041,473	6,300,934	6,234,036
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	53,332	71,104	15,000
Real Estate	5,171,173	5,729,830	5,456,290
Specific Fund Reserves	4,816,968	0	262,746
Transfers from Other Funds	0	500,000	500,000
Fund 169 Revenue Totals	10,041,473	6,300,934	6,234,036
172 Open Space Special Revenue Fund			
Appropriation Units:			
Outstanding Encumbrances	6,029	0	0
Parks and Recreation	329,865	406,402	464,249
Public Works	0	15,300	15,300
Transfer to Other Funds	4,918,029	4,898,134	4,815,861
Fund 172 Appropriation Totals	5,253,923	5,319,836	5,295,410
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	101,098	100,411	37,962
Restaurant Meal Tax	3,853,696	3,985,256	3,855,043
Specific Fund Reserves	1,299,129	1,234,169	1,402,405
Fund 172 Revenue Totals	5,253,923	5,319,836	5,295,410
173 Major Projects Special Revenue Fund			
Appropriation Units:			
Transfer to Other Funds	20,763,789	22,051,701	20,977,241
Fund 173 Appropriation Totals	20,763,789	22,051,701	20,977,241
Revenue Sources:			
Revenue From Local Sources			
Cigarette Tax	1,178,686	1,060,289	978,565
From the Use of Money and Property	401,390	762,790	250,657
Restaurant Meal Tax	4,904,704	5,072,144	4,906,417
Amusement Tax	4,328,166	4,236,477	4,560,440
Hotel Room Tax	6,526,238	6,774,356	6,435,745
Specific Fund Reserves	3,424,605	4,145,645	3,845,417
Fund 173 Revenue Totals	20,763,789	22,051,701	20,977,241

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
174 Town Center Special Service District			
Appropriation Units:			
Outstanding Encumbrances	88,203	0	0
Parks and Recreation	38,337	40,000	53,000
Public Works	19,017	22,000	15,000
Reserve for Contingencies	0	283,564	283,564
Town Center Special Tax District	1,340,878	1,811,331	1,700,576
Fund 174 Appropriation Totals	1,486,435	2,156,895	2,052,140
Revenue Sources:			
Revenue From Local Sources			
Real Estate	1,603,901	1,660,420	1,710,665
From the Use of Money and Property	13,089	196,475	191,475
Specific Fund Reserves	88,203	0	0
Transfers from Other Funds	0	300,000	150,000
Fund 174 Revenue Totals	1,705,193	2,156,895	2,052,140
180 Community Development Special Revenue Fund			
Appropriation Units:			
Housing and Neighborhood Preservation	2,622,262	2,725,315	2,552,715
Reserve for Contingencies	0	741	741
Transfer to Other Funds	148,179	128,104	128,858
Fund 180 Appropriation Totals	2,770,441	2,854,160	2,682,314
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	77,650	50,000	60,000
Revenue from the Federal Government	1,822,715	1,932,626	2,002,989
Transfers from Other Funds	899,240	871,534	619,325
Fund 180 Revenue Totals	2,799,605	2,854,160	2,682,314
181 CD Loan and Grant Fund			
Appropriation Units:			
Housing and Neighborhood Preservation	492,712	605,530	444,016
Transfer to Other Funds	0	38,849	130,000
Fund 181 Appropriation Totals	492,712	644,379	574,016
Revenue Sources:			
Non-Revenue Receipts	88,001	225,000	125,000
Revenue From Local Sources			
Miscellaneous Revenue	17,788	0	0
Charges for Services	75	0	0
From the Use of Money and Property	12,707	0	0
Revenue from the Federal Government	89,408	419,379	449,016
Specific Fund Reserves	284,733	0	0
Fund 181 Revenue Totals	492,712	644,379	574,016

City of Virginia Beach, Virginia
Expenditures and Revenues

		FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
182 Federal Housing Assistance Grant Fund				
Appropriation Units:				
Housing and Neighborhood Preservation		1,317,849	1,666,970	1,666,970
	Fund 182 Appropriation Totals	1,317,849	1,666,970	1,666,970
Revenue Sources:				
Non-Revenue Receipts		189,120	125,000	125,000
Revenue From Local Sources				
Charges for Services		75	0	0
Miscellaneous Revenue		7,556	0	0
Revenue from the Federal Government		930,804	1,541,970	1,541,970
Specific Fund Reserves		190,294	0	0
	Fund 182 Revenue Totals	1,317,849	1,666,970	1,666,970
183 Grants Consolidated Fund				
Appropriation Units:				
Commonwealth's Attorney		294,786	323,638	322,968
Emergency Medical Services		357,298	308,651	284,197
Fire		352,677	610,757	757,260
Housing and Neighborhood Preservation		1,112,637	1,406,914	1,300,035
Human Services		1,585,416	1,908,570	1,867,284
Museums		310	31,000	31,000
Police		37,463	71,271	71,521
Public Works		15,000	15,000	15,000
Reserve for Contingencies		0	104,915	100,000
Transfer to Other Funds		400,000	401,508	400,000
	Fund 183 Appropriation Totals	4,155,587	5,182,224	5,149,265
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		28,702	65,000	49,252
Revenue from the Commonwealth				
Other Sources from the Commonwealth		2,919,788	2,978,901	3,011,200
Revenue from the Federal Government		1,015,999	1,729,720	1,657,503
Specific Fund Reserves		367,550	0	0
Transfers from Other Funds		407,223	408,603	431,310
	Fund 183 Revenue Totals	4,739,262	5,182,224	5,149,265

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
241 Water and Sewer Fund			
Appropriation Units:			
Debt Service	5,745,518	16,389,014	16,389,014
Outstanding Encumbrances	1,508,679	0	0
Public Utilities	79,801,147	68,837,653	71,764,252
Reserve for Contingencies	0	3,281,998	3,069,281
Transfer to Other Funds	12,750,884	13,985,245	15,413,210
Fund 241 Appropriation Totals	99,806,228	102,493,910	106,635,757
Revenue Sources:			
Non-Revenue Receipts	2,520,898	3,314,693	2,181,550
Revenue From Local Sources			
Miscellaneous Revenue	483,588	259,373	259,373
From the Use of Money and Property	2,348,378	2,177,974	1,463,246
Charges for Services	92,688,148	96,377,637	99,390,355
Specific Fund Reserves	1,508,679	100,000	3,077,000
Transfers from Other Funds	256,537	264,233	264,233
Fund 241 Revenue Totals	99,806,228	102,493,910	106,635,757
253 Parking Enterprise Fund			
Appropriation Units:			
Outstanding Encumbrances	191,281	0	0
Reserve for Contingencies	0	11,669	1,008,339
Strategic Growth Area	1,264,886	1,669,306	1,875,987
Transfer to Other Funds	849,335	866,776	987,852
Fund 253 Appropriation Totals	2,305,502	2,547,751	3,872,178
Revenue Sources:			
Revenue From Local Sources			
Permits, Privilege Fees, and Regulatory Licenses	30,381	0	0
From the Use of Money and Property	54,004	87,000	67,000
Charges for Services	2,373,891	2,201,948	3,585,195
Specific Fund Reserves	191,281	0	0
Transfers from Other Funds	258,803	258,803	219,983
Fund 253 Revenue Totals	2,908,360	2,547,751	3,872,178
255 Storm Water Utility Enterprise Fund			
Appropriation Units:			
Debt Service	465,775	2,011,002	2,011,002
Outstanding Encumbrances	353,368	0	0
Public Works	10,653,261	10,150,967	11,168,042
Reserve for Contingencies	0	160,777	223,436
Transfer to Other Funds	9,675,693	12,653,747	10,544,961
Fund 255 Appropriation Totals	21,148,097	24,976,493	23,947,441
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	414,800	160,000	160,000
Charges for Services	17,547,326	19,337,715	21,058,267
Miscellaneous Revenue	12,185	0	0
Revenue from the Commonwealth			
Other Sources from the Commonwealth	5,216,559	5,406,916	2,656,916
Specific Fund Reserves	353,368	0	0
Transfers from Other Funds	70,327	71,862	72,258
Fund 255 Revenue Totals	23,614,565	24,976,493	23,947,441

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
302 General Debt Fund			
Appropriation Units:			
Debt Service	121,696,175	128,009,417	129,450,872
Fund 302 Appropriation Totals	121,696,175	128,009,417	129,450,872
Revenue Sources:			
Non-Revenue Receipts	4,384,080	0	0
Revenue From Local Sources			
From the Use of Money and Property	796,408	0	0
Specific Fund Reserves	0	2,927,450	0
Transfers from Other Funds	121,169,579	125,081,967	129,450,872
Fund 302 Revenue Totals	126,350,067	128,009,417	129,450,872
460 School General Revenue Capital Projects Fund			
Appropriation Units:			
School Capital Projects	13,936,308	0	0
Fund 460 Appropriation Totals	13,936,308	0	0
Revenue Sources:			
Transfers from Other Funds	13,936,308	0	0
Fund 460 Revenue Totals	13,936,308	0	0
540 General Government Capital Projects Fund			
Appropriation Units:			
Building Capital Projects	4,001,518	2,858,751	1,159,951
Coastal Capital Projects	7,063,402	6,214,818	4,570,000
Communications and Information Technology Projects	389,493	3,016,000	325,000
Economic and Tourism Development Capital Projects	11,382,539	5,880,578	9,998,556
Parks and Recreation Capital Projects	10,383,990	9,900,175	2,022,901
Roadways Capital Projects	7,657,249	8,336,291	2,043,448
Fund 540 Appropriation Totals	40,878,191	36,206,613	20,119,856
Revenue Sources:			
Transfers from Other Funds	40,878,191	36,206,613	20,119,856
Fund 540 Revenue Totals	40,878,191	36,206,613	20,119,856
541 Water and Sewer Capital Projects Fund			
Appropriation Units:			
Water and Sewer Capital Projects	7,000,000	7,500,000	5,000,000
Fund 541 Appropriation Totals	7,000,000	7,500,000	5,000,000
Revenue Sources:			
Transfers from Other Funds	7,000,000	7,500,000	5,000,000
Fund 541 Revenue Totals	7,000,000	7,500,000	5,000,000
555 Storm Water Capital Projects Fund			
Appropriation Units:			
Storm Water Capital Projects	8,200,232	10,802,279	8,626,574
Fund 555 Appropriation Totals	8,200,232	10,802,279	8,626,574
Revenue Sources:			
Transfers from Other Funds	8,200,232	10,802,279	8,626,574
Fund 555 Revenue Totals	8,200,232	10,802,279	8,626,574

City of Virginia Beach, Virginia
Expenditures and Revenues

		FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
908 City Beautification Fund				
Appropriation Units:				
Outstanding Encumbrances		75	0	0
Parks and Recreation		32,790	20,400	30,000
	Fund 908 Appropriation Totals	32,865	20,400	30,000
Revenue Sources:				
Revenue From Local Sources				
Miscellaneous Revenue		29,929	20,400	30,000
Specific Fund Reserves		2,936	0	0
	Fund 908 Revenue Totals	32,865	20,400	30,000
909 Library Gift Fund				
Appropriation Units:				
Library		5,002	5,712	4,000
	Fund 909 Appropriation Totals	5,002	5,712	4,000
Revenue Sources:				
Revenue From Local Sources				
Miscellaneous Revenue		5,535	5,712	4,000
	Fund 909 Revenue Totals	5,535	5,712	4,000
911 Parks and Recreation Gift Fund				
Appropriation Units:				
Outstanding Encumbrances		12,058	0	0
Parks and Recreation		52,903	91,800	155,000
	Fund 911 Appropriation Totals	64,961	91,800	155,000
Revenue Sources:				
Revenue From Local Sources				
Miscellaneous Revenue		54,609	91,800	155,000
From the Use of Money and Property		2,764	0	0
Specific Fund Reserves		12,058	0	0
	Fund 911 Revenue Totals	69,431	91,800	155,000

Grand Total Of All Funds

Total Appropriations for all Funds	2,239,105,774	2,337,535,935	2,240,805,802
Less Interfund Transfers	580,769,947	569,439,311	553,156,869
Net Appropriations Totals	1,658,335,827	1,768,096,624	1,687,648,933
Revenue Sources Totals	2,303,853,194	2,337,535,935	2,240,805,802
Less Interfund Transfers	580,769,947	569,439,311	553,156,869
Net Revenue Totals	1,723,083,247	1,768,096,624	1,687,648,933

City of Virginia Beach, Virginia

Interfund Transfer Summary

Receiving Fund Code and Name		FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
002 General Fund				
161	Agriculture Reserve Program Special Revenue Fund	4,768,375	4,824,373	4,576,138
169	Central Business District-South TIF (Twn Cntr) Fd	0	222,222	222,222
180	Community Development Special Revenue Fund	899,240	832,685	619,325
147	Federal Section 8 Program Special Revenue Fund	256,606	78,102	81,001
302	General Debt Fund	83,478,779	86,987,406	90,258,598
540	General Government Capital Projects Fund	33,423,191	28,741,613	12,628,856
183	Grants Consolidated Fund	407,223	408,603	431,310
150	Inmate Services Special Revenue Fund	2,421	0	0
151	Parks and Recreation Special Revenue Fund	16,565,612	16,403,188	15,504,749
460	School General Revenue Capital Projects Fund	13,936,308	0	0
115	School Operating Fund	331,998,500	335,208,106	298,556,120
106	School Technology Category Special Revenue Fund	0	0	23,346,140
149	Sheriff's Department Special Revenue Fund	12,991,171	12,394,250	11,924,414
555	Storm Water Capital Projects Fund	0	176,120	0
255	Storm Water Utility Enterprise Fund	57,498	58,648	58,648
152	Tourism Growth Investment Fund	250,000	250,000	250,000
	Total Transfer From Fund 002	499,034,924	486,585,316	458,457,521
098 School Reserve Special Revenue Fund				
115	School Operating Fund	0	0	13,000,000
	Total Transfer From Fund 098	0	0	13,000,000
130 Law Library Fund				
002	General Fund	61,277	60,000	57,252
	Total Transfer From Fund 130	61,277	60,000	57,252
142 DEA Seized Property Special Revenue Fund				
002	General Fund	108,513	45,500	0
	Total Transfer From Fund 142	108,513	45,500	0
147 Federal Section 8 Program Special Revenue Fund				
002	General Fund	19,974	754	0
	Total Transfer From Fund 147	19,974	754	0
149 Sheriff's Department Special Revenue Fund				
002	General Fund	161,962	0	0
	Total Transfer From Fund 149	161,962	0	0
150 Inmate Services Special Revenue Fund				
002	General Fund	24,551	24,551	24,551
149	Sheriff's Department Special Revenue Fund	250,000	250,000	250,000
	Total Transfer From Fund 150	274,551	274,551	274,551
151 Parks and Recreation Special Revenue Fund				
002	General Fund	119,550	89,550	252,003
540	General Government Capital Projects Fund	200,000	200,000	50,000
157	Sandbridge Special Service District Spec Rev Fd	29,492	0	0
	Total Transfer From Fund 151	349,042	289,550	302,003
152 Tourism Growth Investment Fund				
302	General Debt Fund	5,980,015	6,073,758	5,938,873
002	General Fund	2,005,839	3,050,000	2,050,000
540	General Government Capital Projects Fund	250,000	260,000	0
253	Parking Enterprise Fund	258,803	258,803	219,983
157	Sandbridge Special Service District Spec Rev Fd	920,264	489,025	800,000
255	Storm Water Utility Enterprise Fund	12,829	13,214	13,610
	Total Transfer From Fund 152	9,427,750	10,144,800	9,022,466

City of Virginia Beach, Virginia

Interfund Transfer Summary

Receiving Fund Code and Name		FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
157 Sandbridge Special Service District Spec Rev Fd				
540	General Government Capital Projects Fund	3,460,626	3,336,076	4,570,000
	Total Transfer From Fund 157	3,460,626	3,336,076	4,570,000
161 Agriculture Reserve Program Special Revenue Fund				
302	General Debt Fund	3,211,916	3,034,647	4,404,138
002	General Fund	1,214	4,000,000	4,000,000
	Total Transfer From Fund 161	3,213,130	7,034,647	8,404,138
163 Tourism Advertising Program Special Revenue Fund				
002	General Fund	111,348	56,838	56,838
	Total Transfer From Fund 163	111,348	56,838	56,838
166 Sandbridge Tax Increment Financing Fund				
002	General Fund	9,000,000	0	0
540	General Government Capital Projects Fund	744,374	868,924	0
	Total Transfer From Fund 166	9,744,374	868,924	0
167 Arts and Humanities Commission Spec Rev Fd				
002	General Fund	0	37,237	0
	Total Transfer From Fund 167	0	37,237	0
169 Central Business District-South TIF (Twn Cntr) Fd				
302	General Debt Fund	5,296,567	5,381,054	5,464,117
174	Town Center Special Service District	0	300,000	150,000
	Total Transfer From Fund 169	5,296,567	5,681,054	5,614,117
172 Open Space Special Revenue Fund				
302	General Debt Fund	2,518,029	2,498,134	2,475,861
002	General Fund	0	0	149,000
540	General Government Capital Projects Fund	2,400,000	2,400,000	2,191,000
	Total Transfer From Fund 172	4,918,029	4,898,134	4,815,861
173 Major Projects Special Revenue Fund				
169	Central Business District-South TIF (Twn Cntr) Fd	0	277,778	277,778
302	General Debt Fund	19,843,525	19,778,057	19,691,540
002	General Fund	0	1,000,000	0
157	Sandbridge Special Service District Spec Rev Fd	920,264	995,866	1,007,923
	Total Transfer From Fund 173	20,763,789	22,051,701	20,977,241
180 Community Development Special Revenue Fund				
002	General Fund	148,179	128,104	128,858
	Total Transfer From Fund 180	148,179	128,104	128,858
181 CD Loan and Grant Fund				
180	Community Development Special Revenue Fund	0	38,849	0
302	General Debt Fund	0	0	0
540	General Government Capital Projects Fund	0	0	130,000
	Total Transfer From Fund 181	0	38,849	130,000
183 Grants Consolidated Fund				
002	General Fund	0	1,508	0
540	General Government Capital Projects Fund	400,000	400,000	400,000
	Total Transfer From Fund 183	400,000	401,508	400,000
241 Water and Sewer Fund				
002	General Fund	5,750,884	6,485,245	10,413,210
541	Water and Sewer Capital Projects Fund	7,000,000	7,500,000	5,000,000

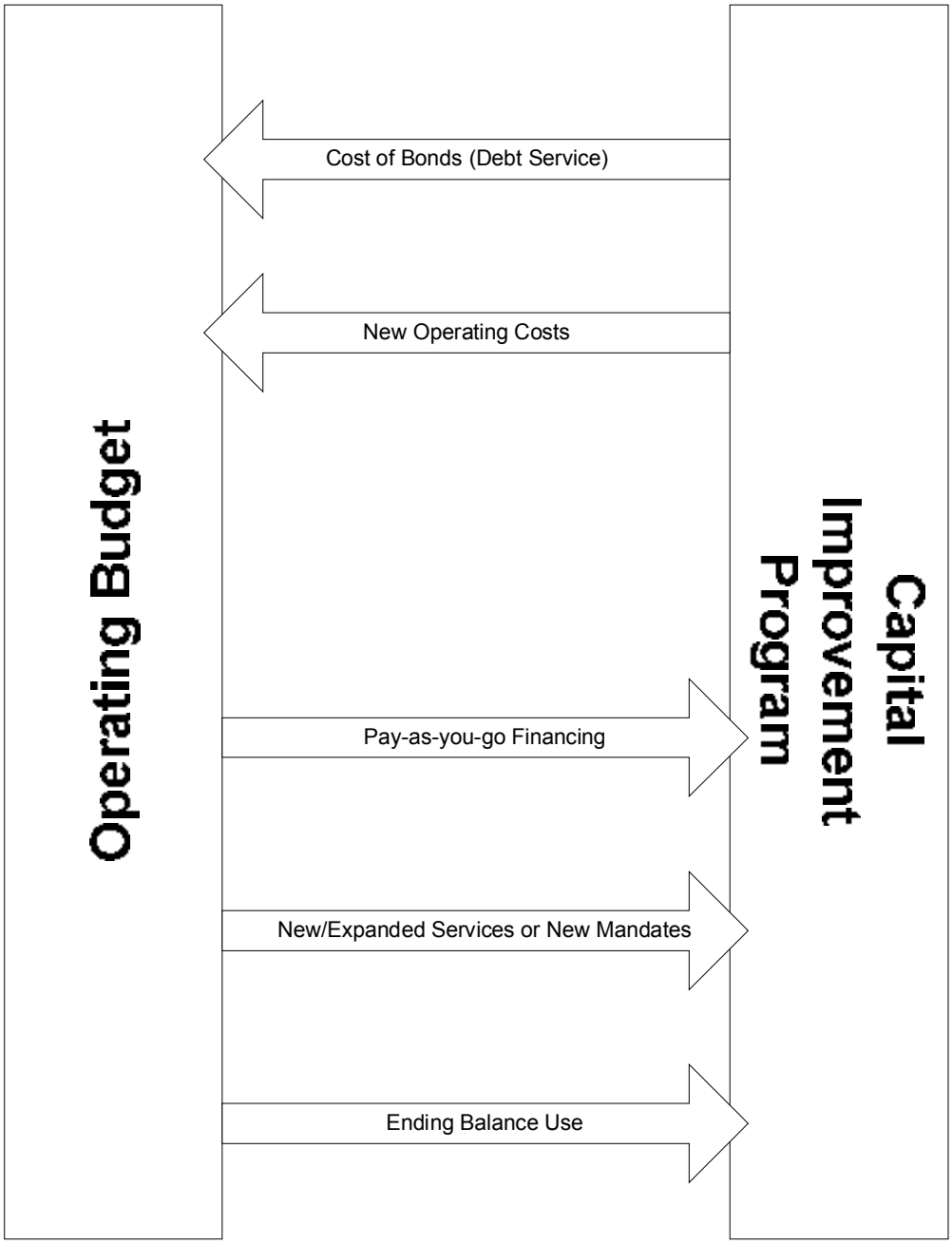
City of Virginia Beach, Virginia

Interfund Transfer Summary

Receiving Fund Code and Name		FY 2008-09 Actuals	FY 2009-10 Adjusted Budget	FY 2010-11 Total Adopted
	Total Transfer From Fund 241	12,750,884	13,985,245	15,413,210
253 Parking Enterprise Fund				
302	General Debt Fund	725,900	724,687	722,722
002	General Fund	119,983	112,130	112,130
540	General Government Capital Projects Fund	0	0	150,000
157	Sandbridge Special Service District Spec Rev Fd	3,452	29,959	3,000
	Total Transfer From Fund 253	849,335	866,776	987,852
255 Storm Water Utility Enterprise Fund				
302	General Debt Fund	114,848	604,224	495,023
002	General Fund	1,104,076	1,159,131	1,159,131
555	Storm Water Capital Projects Fund	8,200,232	10,626,159	8,626,574
241	Water and Sewer Fund	256,537	264,233	264,233
	Total Transfer From Fund 255	9,675,693	12,653,747	10,544,961
	TOTAL INTERFUND TRANSFERS FOR ALL FUNDS	580,769,947	569,439,311	553,156,869

City of Virginia Beach
Relationship of the Operating Budget to the Capital Improvement Program

As this graphic illustrates, there is a close linkage between the Operating Budget and Capital Improvement Program. Decisions made in one affect the other. For example, if we decide to open a new Fire Station, we also must plan for hiring new firefighters. Likewise, if we expand recreational programs in the Operating Budget we often must construct new facilities.



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Agriculture - Departmental Performance Report

Agriculture

The mission of the Department of Agriculture is to provide leadership, coordination and education to enhance the economic vitality of the City's agricultural industry and the preservation and enhancement of its quality physical environment, to assist citizens in strengthening their families and to provide citizens and visitors with cultural and recreational opportunities by preserving our agricultural and rural heritage.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Community						
Process Agriculture Reserve Applications						
Acres in the Agricultural Reserve Program	#	8,000.0	7,409.8	7,918.8	8,218.8	8,818.8
Agricultural Reserve Program Applications Received	#	10.0	5.0	16.0	10.0	10.0
Promote the Farmers Market						
Children/Students Attending Events at Farmers Market	#	1,500.0	1,000.0	1,145.0	1,200.0	1,300.0
Special Events/Family Activities at the Farmers Market	#	50.0	70.0	99.0	103.0	105.0
Financial						
Recruit, Train and Manage Volunteers						
Volunteers that Provide Educational Programs	#	1,300.0	867.0	1,302.0	1,300.0	1,300.0
Internal Process						
Farmers Market Occupancy Rate						
Percent of Farmers Market Space Leased	%	100.0	100.0	100.0	100.0	100.0

Major Changes

The general fund supported portion of the Department of Agriculture operating budget decreased $93,007 or 10.8% in FY 2010-11 compared with FY 2009-10 adjusted operating budget by eliminating one full-time position, reduction of operating costs for the Farmers Market and efficiency savings at the Farmers Market. The Agricultural Reserve Program (ARP) fund is a component of the overall Agriculture Department operating budget. For the FY 2010-11 operating budget, the ARP operating budget shows a decrease of $2.6 million or 36.6% in FY 2010-11 compared with FY 2009-10 due to one-time use of ARP fund balance that in FY 2009-10, City Council transferred $4 million to the general fund to balance the City's overall general fund operating budget.

Change	Impact
Elimination of an Administrative Specialist position, which serves as the Agriculture Programs Coordinator for expanding and promoting Agriculture programs throughout the City.	• The remaining staff of 12 FTEs in the department will have to absorb this position's workload, future planned programming, and departmental representations. Programs that may be impacted include: "Taste of the Market" tours in coordination with the Convention and Visitors Bureau that promotes agricultural tours for the Farmers Market and farms including the winery program; Farmers Market promotion of the 12 major monthly events planned for the market and 100 special events including Hoe Downs, Car Cruising etc.; "Buy Fresh Buy Local" program support and community activities; and Town Center Farmers Market (June 2010) oversight, and other future satellite markets throughout the City.
Reduces operating support for the Farmers Market for media advertising, travel, dues and memberships, security, building maintenance and other supplies.	• Without funding for support costs, there could be deferred maintenance at the Market as well as a reduction in patronage and participation at Market special events due to reduced media, and membership to local and national associations.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The core services of the Department of Agriculture fall into four areas:

- **Director's Office** – Provides overall direction, coordination and administrative support to the department; leadership in developing and implementing the Agricultural Reserve Program; technical assistance to the agricultural community to ensure that agriculture is a viable segment of the City's economy and competitive with nearby areas; support to the Agricultural Advisory Commission; recommendations and assistance to the Planning Department regarding the Comprehensive Plan, compliance with Chesapeake Bay Area Preservation Mandates, Southern Watershed Ordinance, Transition Area, and Open Space; recommendations for the future direction of the Farmers Market; coordination of City services for agricultural related special events (i.e. Strawberry Festival, Harvest Fair); assistance in developing and implementing strategy to address the issue of aesthetics; assistance in preserving the City's agricultural heritage; installation, maintenance and management of the road side farm sign program; site plan review for projects in the southern portion of the City; technical advice to the Clean Water Task Force, and Wild Horse Committee; and recommendations regarding rural drainage.

- **Cooperative Extension Program** – Provides research, technical and marketing assistance and community education for all residents regarding agriculture, horticulture, soils, family issue programming, and home management. It administers two mandated programs, Agriculture Disaster Reporting and Pesticide Applicator Certification Recertification education. The City and Virginia Polytechnic Institute and State University jointly fund this program with the City

funding one-third of the costs of three Agricultural Extension Agents and 100% of the costs of a fourth agent as well as two administrative support staff.

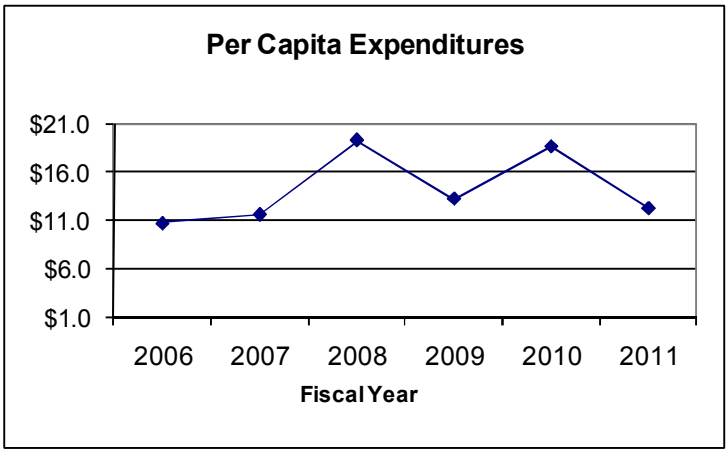
- **Agricultural Reserve Program (ARP)** – Approved in May 1995, with the first installment purchase agreements occurring in 1997. The goal of the program is to preserve and protect over 20,000 acres of farm and forested lands in the southern part of the City. The ARP is a voluntary program. Landowners, who enroll their agricultural land, help to preserve the rural quality of the southern part of the City and preserve the agricultural land base of the City's third largest industry for future generations. The ARP protects agricultural lands from increased residential, commercial and industrial development through the purchase of development rights in the form of perpetual preservation easements, and reduces the need to extend City services. Eligibility requirements include: the parcels can be no less than ten developable acres; zoned for agricultural use; and cannot contain land used for recreational or open space purposes. Funding for this program is dedicated from 0.9 cent of the real estate tax.

- **Farmers Market** – Leases space to vendors to sell agricultural and complementary products, provides agricultural based education programs for students and rural heritage programming for students, citizens and visitors. Market staff provides programming that is agriculturally based and educational, in a safe, family friendly environment. The Market provides for over 500,000 visitors a year. Over 59% of the annual operating cost of the Market in FY 2010-11 will be covered by rental fees.

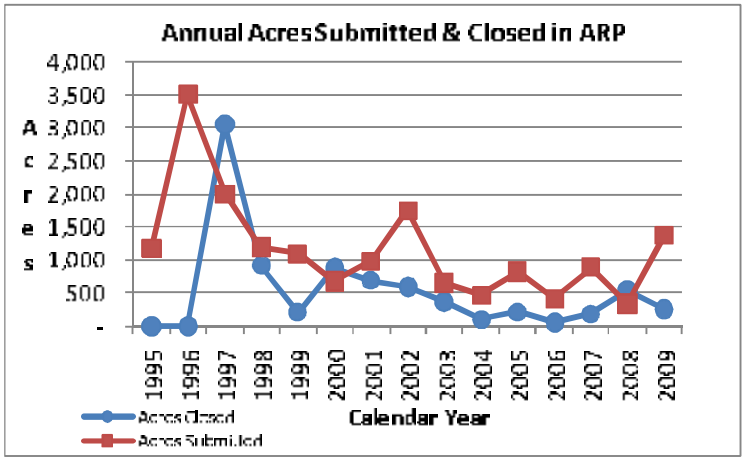
Trends and Issues

- Per capita expenditures will decrease from $18.54 in FY 2009-10 to $12.24 in FY 2010-11. Expenditures spiked in FY 2007-08 and in FY 2009-10 due to the City Council's one-time use of fund balance from the Agriculture Reserve Program to balance the operating budget and fund several projects in the Capital Improvement Program.

- To achieve further efficiencies, the Farmers Market reduced its training and travel expenditures $1,131 and will increase its use of less expensive training, such as video conferencing and web based trainings.

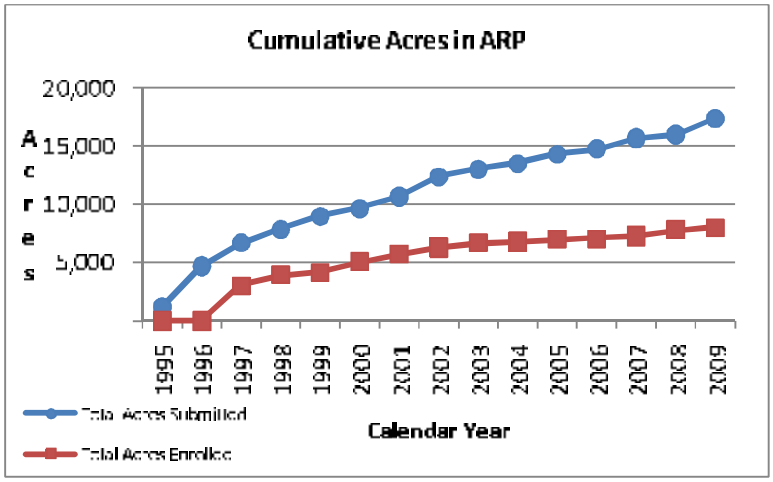


- By the end of calendar year 2009, 201 Agricultural Reserve Program (ARP) applications have been received since the beginning of the program. The City has purchased the development rights for 8,049.77 acres, which translates into 706 development units acquired. The department anticipates adding 600 acres in 2010. Over time, approximately 50% of the applications submitted have been closed. Those that do not close may be attributed to several reasons: the land submitted for review may not be eligible for the program, offers may not have been extended from the City, or landowners may not have accepted an offer if they felt the value of the land was lower than anticipated, or current interest rates were not appealing to close. In FY 2008-09, the spike in applications was due to an increase planned for FY 2009-10 in the agricultural value of the property that is deducted from the fair market value from $900 per acre to $1,800 per acre. This was a catalyst for some landowners to submit an



application prior to the change in value that would affect the purchase price of the ARP easement. The lowest interest rates in the program's history were seen in December of 2008 and landowners did not want to lock in a 25 year payment plan at those low rates. Interest rates in 2010 are now trading in the range of 4.75% to almost 5.0%, which are more attractive to landowners. The higher rates also benefit the City because the buy-in rate on the U.S. Treasury STRIPS (i.e. Separate Trading of Registered Interest and Principal Securities) that are used to fund the principal purchase price are lower when interest rates are higher.

- The Farmers Market is 100% leased with 14 leaseholders and 3 permanent vendors, who have located their own buildings on site. In FY 2008-09, 1,145 school children visited the Market's Rural Heritage Center for hands-on agricultural educational programs. There were 99 special events and family activities including hoedowns, with a total estimated attendance of 170,000.



- In 2009, the Virginia Beach 4-H Program enrolled nearly 3,851 youth, 551 adult and 57 teen volunteers, and nearly 4,000 students in its programs. Volunteers in the 4-H Program provided 21,160 hours of service valued at $412,836.

- Cooperative Extension provided farmer educational programs in grain, fruit, vegetable and strawberry production to support the City's agriculture industry. Extension agents provided education on quarantined fire ants and Beach Vitex, while monitoring the threat of Asian Soybean Rust. They maintain awareness of other diseases, and received national recognition as the first to detect Arthracnose Crown Rot in strawberry plants in Virginia.

- Cooperative Extension's Family Consumer Science staff offered, in conjunction with a large number of volunteers, workshops and training on financial literacy, consumer education, housing, and foods and nutrition to 5,500 residents in 2009. The trend is fresh foods, better nutrition, and increased food education and food safety. Also, there is increased interest in kitchen gardens and consumer sciences.

- Cooperative Extension's Environmental Horticulture certification/recertification training seminars allowed 198 Virginia Beach municipal and commercial pesticide applicators to obtain and maintain their licenses in compliance with state and federal requirements. Applicators need to remain current on pesticide regulations and technology to make safe and sound pest management decisions related to personal, community, and environmental health.

- In 2009, there were 226 active Virginia Beach Master Gardener (VBMG) volunteers that collectively contributed 23,712 hours of service valued at $486,807, and provided horticultural information to over 31,249 residents. VBMG volunteers worked in 24 program areas including: "Ready, Set, Grow", an environmental stewardship program which reached 1,795 Virginia Beach City Public School students and teachers; "VBMG Speakers Bureau" which delivered 72 presentations to 1,621 members of civic groups; and the "VBMG Help Desk" which provided information via email, telephone, or personal contact to 1,166 citizens.

- Last year, VBMG volunteers created the "New Kitchen Garden" demonstration area at the Virginia Beach Farmers Market to teach residents how to save money and improve nutrition through home food production. The kitchen garden project donated over 375 pounds of garden produce to the FoodBank of Southeastern Virginia. This new project received 584 visitors in its first year, as well as media attention from the Virginian-Pilot.

Council Amendment

On May 11, 2010, City Council voted to appropriate $4 million from the Fund Balance of the Agricultural Reserve Program Fund to transfer to the General Fund to assist in balancing the FY 2010-11 Operating Budget.

Agriculture - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Director's Office	390,503	383,857	313,442	(70,415)
Cooperative Extension Program	253,685	265,495	263,778	(1,717)
Farmers Market	212,940	210,782	189,907	(20,875)
Total Expenditures	857,128	860,134	767,127	(93,007)
Revenues				
Director's Office	903	556	450	(106)
Farmers Market	126,516	120,147	121,147	1,000
Total Revenues	127,419	120,703	121,597	894
General City Support	729,709	739,431	645,530	(93,901)
161 Agriculture Reserve Program Special Revenue Fund				
Expenditures				
Agricultural Reserve Program	169,384	159,827	159,371	(456)
Future C.I.P. Commitments	0	700,140	12,629	(687,511)
Transfer to Other Funds	3,213,130	7,034,647	8,404,138	1,369,491
Total Expenditures	3,382,514	7,894,614	8,576,138	681,524
Revenues				
Agricultural Reserve Program	169,384	3,246,812	159,371	(3,087,441)
Future C.I.P. Commitments	1,385,861	700,140	12,629	(687,511)
Transfer to Other Funds	3,213,130	3,947,662	8,404,138	4,456,476
Total Revenues	4,768,375	7,894,614	8,576,138	681,524
General City Support	(1,385,861)	0	0	0
Total Department Expenditure	4,239,642	8,754,748	9,343,265	588,517
Total Department Revenue	4,895,794	8,015,317	8,697,735	682,418
Total General City Support	(656,152)	739,431	645,530	(93,901)

Position Summary by Program				
002 General Fund				
Director's Office	4.00	4.00	3.00	-1.00
Cooperative Extension Program	6.00	6.00	6.00	0.00
Farmers Market	2.00	2.00	2.00	0.00
Total	12.00	12.00	11.00	-1.00
161 Agriculture Reserve Program Special Revenue Fund				
Agricultural Reserve Program	2.00	1.00	1.00	0.00
Total	2.00	1.00	1.00	0.00
Total Position Summary	14.00	13.00	12.00	-1.00

Convention and Visitors Bureau - Departmental Performance Report

Convention and Visitors Bureau

The mission of the Conveniton and Visitors Bureau is to facilitate the creation and enhancement of convention, tourism, sports events, and resort related-improvements in order to maximize tax revenues.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Host Events at the Va Beach Convention Center						
Virginia Beach Convention Center Revenue (in thousands)	$	3,900	3,697	3,810	3,132	3,233
Increase Convention and Meeting Bookings						
Internet Inquiries (in thousands)	#	1,500.0	0.0	1,475.0	1,490.0	1,505.0
Room Nights from Convention Sales and Sports Marketing	#	215,000.0	218,266.0	214,182.0	208,827.0	215,092.0
Increase Room Nights						
Visitors Assisted at Visitor Centers and Kiosks	#	145,000.0	138,812.0	143,777.0	140,183.0	144,388.0
Year Round Hotel Occupancy Rate	%	60.0	58.9	57.9	56.5	58.2
Financial						
Increase Visitor Spending						
Public Relations Advertising Equivalency (in thousands)	$	5,000	4,860	4,958	5,007	5,057
Total Tax Revenue (in millions)	$	78	78	78	76	79
Visitor Spending (in millions)	$	865	890	864	841	865

Major Changes

The Convention and Visitors Bureau (CVB) budget is $651,457, or 7.0% less than the FY 2009-10 amount in the general fund. This Tourism Growth Investment Fund (TGIF) and the Tourism Advertising Program Fund (TAP) have a combined reduction of $2,025,652, or 10%. As a result, this department had to reduce their number of positions by 7.35 FTEs. Most of the reductions are in the Virginia Beach Convention Center unit and reflect a decrease in the number of events.

Change	Impact
Reduction of business volume at the Virginia Beach Convention Center with the elimination of 6.85 FTEs.	• Convention Center revenues for FY 2010-11 are projected to be about $700,000, or 18% less than the FY 2009 actual amount, and 2.7% more than the FY 2010 amount. • The reduction in permanent staff results in the need to increase dependence on third party contractors.
Reduction of $958,000 in the advertising and promotion budget, and $88,305 in marketing travel.	• The TAP Fund appropriation has been reduced to reflect projected declines in revenue for the fiscal year. This reduction will result in a decline of meetings and conventions, leisure transient and leisure group advertising media budgets, cutbacks in interactive marketing programs, elimination of some local and regional marketing sponsorships, elimination of some research projects, and changing the annual vacation guide to essentially a two-year guide.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

- This Convention and Visitors Bureau's FY 2010-11 budget totals $31,515,310 and includes the General Fund, the Tourism Growth Investment Fund, and the Tourism Advertising Program Special Revenue Fund. In previous years, this department also included the Parking Enterprise Fund, which was moved to the newly created Strategic Growth Area Office in FY 2009-10

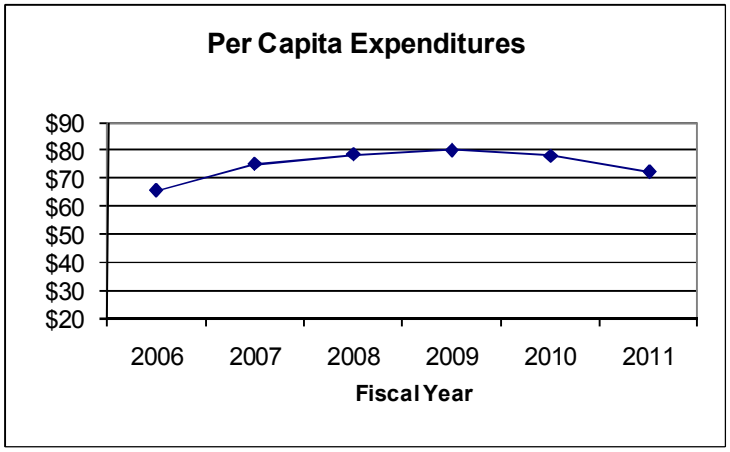
- **Tourism Promotion/Advertising -** Advertising for the resort area is provided through the Tourism Advertising Program (TAP) Fund. The fund dedicates revenues from one cent of the transient lodging tax, one half cent of the restaurant meal tax, and a flat lodging tax of one dollar to support the City's advertising and marketing program and related activities, including the operation of the Visitor Center. The advertising campaign uses a combination of newspaper and magazine advertisements, and television for national advertising to promote tourist visitation. Other marketing strategies include a convention sales program, sports marketing initiatives, a public relations program, a comprehensive research program and related collateral materials. The development of new markets is important to maintain and to increase the number of visitors to the City, especially during the shoulder seasons.

- **Tourism Growth Investment Fund (TGIF) -** Established by the City Council to provide a dedicated resource for tourism related projects. The sources of funding are from 2.5 cents Hotel tax, 0.5 cents Meal tax, 10% Admissions tax, and other tourist related taxes and fees. This revenue is used for special events, entertainment, operation and maintenance of the beach and boardwalk, and debt service payments on capital projects located in the resort area. The majority of funding for oceanfront and entertainment events is shown in the newly created Strategic Growth Area Office.

- **Convention Promotion and Facility** - Provides the operations and marketing for the City's convention center as a destination for conventions, trade shows, and meetings. This division promotes the City and convention center on a nation-wide basis with the objective of increasing the number and quality of events

Trends and Issues

- The per capita expenditures for prior fiscal years have been adjusted to reflect the transfer of the Parking Enterprise Fund and oceanfront entertainment budget from Convention and Visitors Bureau to the Strategic Growth Area Office. The increase in FY 2008 is a result of the completion of the Virginia Beach Convention Center, and the transfer of $1 million to the Capital Improvement Program, from the Tourism Growth Investment Fund for storm water outfall improvements at the beachfront. The downward trends in recent years reflect the decline in Convention Center utilization



- The Convention Center, fully opened in January 2007, and held 363 events in FY 2008-09, resulting in 124,753 room nights, and producing $39.2 million in direct spending. In FY 2008-2009, the Convention Center was home to 118 community events, and 29 consumer shows.

- The Virginia Beach Convention Center (VBCC) saved $210,000 in FY 2008-09 through energy conservation initiatives. An ENERGY STAR partner for nearly two years, the center has cumulatively saved over $410,000 in utilities. The first Virginia Green certified convention center, and currently in pursuit of the Leadership in Energy and Environmental Design (LEED) certification, the VBCC decreased consumption of power, gas and water by a 49% decrease over the prior year.

- Inquiries to the City's website and Visitor Center were up again in 2009, increasing 7% over 2008 despite the weak economy. Virginia Beach continues to have a strong presence on the internet, with four out of five visitors using it as a source of information about Virginia Beach and 52.2% of visitors using the internet to purchase some travel service.

- The effectiveness of a public relations program is measured in part by the number of clips generated and their advertising equivalency. In 2009, the public relations program generated 464 clips with a record media value of $4,957,736, for a 2% increase over 2008.

- The May 2009 Virginia Beach Tourism Annual Economic Impact Study indicates that there were 2.47 million overnight visitors to Virginia Beach in 2008, spending $864 million and generating $78.4 million in direct revenue, the same as the prior year, even with the weak national economy. The City provided $68.4 million in visitor related expenditures which resulted in a net direct dollar return of $10.0 million, an average rate of return from the tourist industry of 14.6%. In 2008, visitor spending was responsible for generating about 9,700 jobs in Virginia Beach.

- In FY 2008-09, Convention Sales and Sports Marketing booked 174 future events with 46 of those events being held in the Virginia Beach Convention Center. These 174 events are estimated to generate 214,182 hotel room nights and have an impact of $62.7 million in direct spending.

The following data reflects the impact on the City's hotel industry as a result of actions taken to promote tourism, conventions, and special events in the City.

HOTEL/INDUSTRY PERFORMANCE FOR CALENDAR YEAR 2009	
Hotel Occupancy	57.9% (1.6% decrease)
Average Daily Rate	$102.9 (3.2% decrease)
Revenue Per Average Room	$59.16 (4.8% decrease)
Room Nights Booked	2,526,254 (4.5% increase)
Hotel Room Sales	3.2% decrease
Restaurant Sales	0.3% increase
Visitor Inquiries	1.6 million (new methodology for internet inquiries - no prior year comparison)

- While the recent hotel and industry related numbers are down compared to previous years, our City did relatively well when compared to our competitors

- The rates for all of the services offered at the Virginia Beach Convention Center are reviewed annually to ensure that the City is both maximizing revenue and remaining competitive.

- The Visitor Information Center acts as a sales outlet to major tourism attractions, such as Busch Gardens, Water Country USA, and Ocean Breeze Water Park, and receives 10% or 20% of gross ticket prices.

Convention and Visitors Bureau - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Director's Office	983,356	1,014,205	994,782	(19,423)
Tourism Marketing and Sales	326,181	407,927	434,941	27,014
Sports Marketing	543,117	552,076	456,942	(95,134)
Convention Marketing and Sales	1,072,166	1,075,133	946,572	(128,561)
Virginia Beach Convention Center	5,787,612	6,288,358	5,853,005	(435,353)
Total Expenditures	8,712,432	9,337,699	8,686,242	(651,457)
Revenues				
Virginia Beach Convention Center	3,810,039	3,131,865	3,214,930	83,065
Total Revenues	3,810,039	3,131,865	3,214,930	83,065
General City Support	4,902,393	6,205,834	5,471,312	(734,522)
152 Tourism Growth Investment Fund				
Expenditures				
TGIF - Oceanfront Special Events	100,000	100,000	100,000	0
Transfer to Other Funds	9,427,750	10,144,800	9,022,466	(1,122,334)
Total Expenditures	9,527,750	10,244,800	9,122,466	(1,122,334)
Revenues				
TGIF - Oceanfront Special Events	100,000	100,000	100,000	0
Transfer to Other Funds	9,427,750	10,144,800	9,022,466	(1,122,334)
Total Revenues	9,527,750	10,244,800	9,122,466	(1,122,334)
General City Support	0	0	0	0
163 Tourism Advertising Program Special Revenue Fund				
Expenditures				
Visitor Information Center	926,705	1,011,236	1,173,587	162,351
Tourism and Convention Advertising	8,630,041	8,981,406	7,915,737	(1,065,669)
Transfer to Other Funds	111,348	56,838	56,838	0
Total Expenditures	9,668,094	10,049,480	9,146,162	(903,318)
Revenues				
Visitor Information Center	101,028	89,392	89,392	0
Tourism and Convention Advertising	9,567,066	9,960,088	9,056,770	(903,318)
Total Revenues	9,668,094	10,049,480	9,146,162	(903,318)
General City Support	0	0	0	0
Total Department Expenditure	27,908,276	29,631,979	26,954,870	(2,677,109)
Total Department Revenue	23,005,883	23,426,145	21,483,558	(1,942,587)
Total General City Support	4,902,393	6,205,834	5,471,312	(734,522)

Position Summary by Program				
002 General Fund				
Director's Office	10.54	10.54	10.00	-0.54
Tourism Marketing and Sales	5.00	5.00	6.00	1.00
Sports Marketing	3.00	3.00	3.00	0.00
Convention Marketing and Sales	13.00	13.00	12.00	-1.00
Virginia Beach Convention Center	82.80	78.98	72.13	-6.85

Convention and Visitors Bureau - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Total	114.34	110.52	103.13	-7.39
163 Tourism Advertising Program Special Revenue Fund				
Visitor Information Center	8.39	8.39	10.39	2.00
Tourism and Convention Advertising	2.00	2.00	0.00	-2.00
Total	10.39	10.39	10.39	0.00
Total Position Summary	124.73	120.91	113.52	-7.39

Housing and Neighborhood Preservation - Departmental Performance Report

Housing and Neighborhood Preservation

The Department of Housing and Neighborhood Preservation mission is to create quality solutions that expand housing opportunities and promote vibrant, well maintained neighborhoods.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Abate Graffiti Cases in a Timely Manner						
Graffiti Cases Referred to City Contractor	#	200.0	161.0	214.0	200.0	0.0
Properties Referred for Graffiti, Compliant within 14 Days	%	90.0	70.0	90.0	90.0	0.0
Assist Non Profits with Affordable Housing						
Non-Profit Contracts Executed to Deliver Housing	#	18.0	19.0	15.0	18.0	14.0
Assist People with AIDS with Housing						
Persons Provided Assistance	#	829.0	608.0	829.0	829.0	829.0
Bring Bldg Maint Code Violations into Compliance						
Properties Cited for Violations Compliant within 120 Days	%	100.0	76.7	49.9	49.9	49.9
Properties Citied for Bldg. Maintenance Code Violations	#	8,301.0	7,265.0	8,301.0	8,301.0	8,000.0
Property Maintenance Cases	#	15,181.0	13,471.0	15,181.0	15,181.0	14,500.0
Communicate Availability of Housing Programs						
Citizens Served by the Neighborhood Institute	#	25.0	15.0	24.0	25.0	25.0
Operate Federal Section 8 Rental Subsidy Program						
Households Served by Section 8 Rental Program	#	1,986.0	1,950.0	1,900.0	1,986.0	1,986.0
Provide Certificate of Compliance Inspections						
Dwelling Receiving Certificate of Compliance Inspections	%	7.4	7.1	13.0	7.4	7.4
Initial Certificate of Compliance Inspections	#	1,200.0	1,144.0	2,244.0	1,200.0	1,200.0
Provide Emergency Shelter						
Persons Assisted with Emergency Shelter	#	1,456.0	1,746.0	1,456.0	1,456.0	1,456.0
Provide Financial Assistance to1st Time Home Buyer						
Homes Assisted with Down Payments and Closing Costs	#	5.0	1.0	8.0	18.0	5.0
Provide Rehab and Emergency Repair Assistance						
Homes Improved or Provided Rehab/Emergency Repair	#	51.0	32.0	33.0	68.0	51.0
To Remove Inoperable Vehicles						
Inoperable Vehicles Citied for Code Violations	#	3,529.0	4,033.0	3,529.0	3,529.0	3,222.0

Major Changes

In total, the department has eliminated one position and downgraded an existing vacancy in the FY 2010-11 operating budget. The Housing and Neighborhood Preservation's budget will decrease 2.9% or $716,625 from the adjusted FY 2009-10 budget. This budget reflects the transfer of the Homeless Intervention grant from the Department of Human Services, since this programmatically is more aligned to Housing and Neighborhood Preservation's mission. Also, note this budget has not incorporated changes in Federal revenue for FY 2009-10, which were not available at the time this budget was printed.

Change	Impact
Elimination of Code Enforcement Specialist	• There will be fewer inspections of Building Maintenance violations (300); Property Maintenance cases (680); and Inoperable Vehicles citations (330).
Elimination of Graffiti Abatement Funding	• Approximately 200 instances of graffiti will not be removed on private property via a City contract. A new law may permit the Sheriff's Work Force to assume some of these responsibilities, if certain legislation passes the General Assembly. Abatement on public property is performed by both Public Works and Parks and Recreation.
Elimination of Housing First Program	• The City contributes $9,500 to fund expenses for three very low income families living in homes owned by the Virginia Beach Community Development Corporation. The corporation will have to absorb these expenditures which represent a very small percentage of their budget.

Additional information about program reductions is available in the Requested But Not Funded listing in the Introduction section of the document.

Departmental Overview

Federal funding covers 89.9% of the cost of this department's services, with the City and fees providing the remainder. City funding covers code enforcement and administrative costs not funded by various Federal funds. The core services provided by the Department of Housing and Neighborhood Preservation are divided into the following areas:

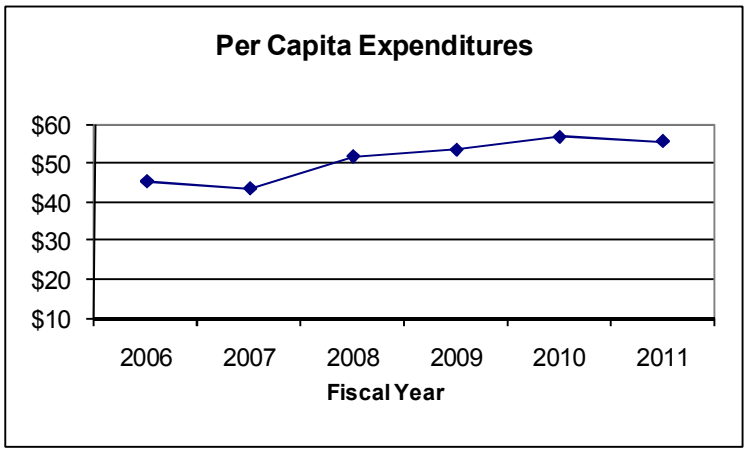
- **Code Enforcement -** Of the City's building and property maintenance codes including response to citywide complaints, systematic exterior inspections of properties, Certificate of Compliance and Section 8 inspections of rental property, monitoring of commercial trash collection in the resort area, citations for violations such as junk, overgrown vegetation, buildings in disrepair, inoperable vehicles, and enforcement of repair of unsafe gas appliances.

- **Rental Housing -** Includes various rental subsidy programs to provide affordable rental housing, mainly the Federal Section 8 Housing Voucher Program, and including Family Self Sufficiency, Portability, Project Based HUD Mortgage conversion, FEMA Disaster Housing Assistance Program (DHAP) grant, and special allocations for groups such as the disabled and homeless. Also, housing counseling is provided related to the Section 8 Program to existing renters and those seeking rental housing.

- **Housing Development** – Assists residents in various areas including: work force housing planning, development and review; use of Federal Community Development Block Grant (CDBG) and HOME funds to assist low and moderate-income homeowners with rehabilitation and emergency repair assistance; provision of Federal funding to non-profit organizations for housing acquisition and rehabilitation to provide affordable housing for low and moderate-income households; and provision of down payment and closing cost assistance to first-time home buyers. To prevent homelessness, a Federal Emergency Shelter grant provides funding to non-profits to provide emergency shelter to over 1,500 persons, while the Housing Opportunities for People with Aids grant provides short and long-term housing assistance and support services to over 600 persons regionally.

Trends and Issues

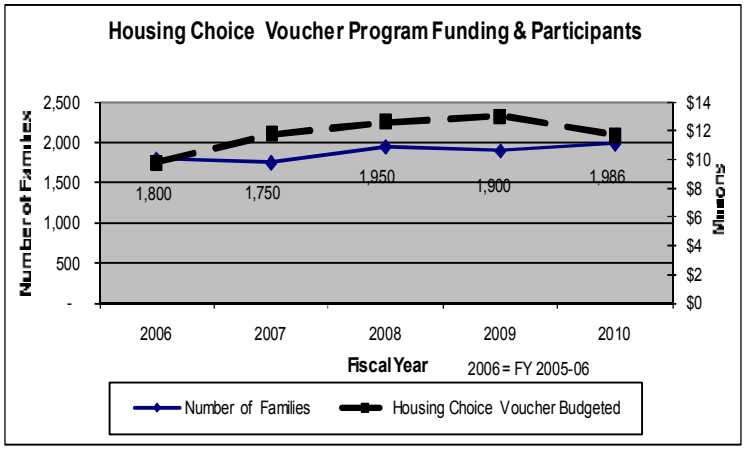
- The department reduced various operating accounts by $30,000 (use less printed materials, reduce travel, training, and consultants), and reclassified (downward) a vacant Administrative Services Manager to an Accountant I position (to assist with significant Federal reporting requirements). The department also reallocated $77,500 in various Federal monies to maintain current positions, which is an eligible use of these funds. This reallocation will not displace or affect current clients or service delivery; however, it could have a minor impact on addressing any increases demand for service.



- The cost per capita (based on all funding sources) for existing services provided by Housing will decrease by 1.7%.

- Code Enforcement Inspectors are anticipated to issue approximately 22,500 citations in FY 2010 11 for violations of City property and building maintenance codes. The number of inoperable vehicles cited for code violation is expected to be 3,200.

- The majority of this department's operating budget and Federal funding for FY 2010 11 is for the Section 8 Housing Choice Voucher Program that serves nearly 2,000 persons (shown in the graph) with rental subsidy assistance to secure safe, decent, affordable housing. The average monthly subsidy budgeted per family is about $628 for FY 2010 11. Actual rents average about $936.



- Using Federal funds, the department will begin to equip federally eligible staff in the Code Enforcement division with Accela Wireless field computing capability. This technology will permit staff to only enter data once in the field rather than twice (once in the field and then again in the office). In the future, when/if City funds are available; the entire staff can be equipped. The improved efficiency will then permit the department to eliminate half of a position.

Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Code Enforcement	1,723,431	1,793,186	1,679,325	(113,861)
Total Expenditures	1,723,431	1,793,186	1,679,325	(113,861)
Revenues				
Code Enforcement	17,540	15,800	65,800	50,000
Total Revenues	17,540	15,800	65,800	50,000
General City Support	1,705,891	1,777,386	1,613,525	(163,861)
147 Federal Section 8 Program Special Revenue Fund				
Expenditures				
VASH Vouchers	0	152,179	152,179	0
Section 8 Operating	1,392,573	1,444,300	1,475,673	31,373
Section 8 - Modernization - Rehabilitation	12,899	0	0	0
Cloverleaf SRO Vouchers	53,380	110,664	110,664	0
Portability Payments	429,086	225,000	225,000	0
Section 8 Vouchers - Housing Choice	12,326,751	14,593,877	14,309,572	(284,305)
Transfer to Other Funds	19,974	754	0	(754)
Total Expenditures	14,234,663	16,526,774	16,273,088	(253,686)
Revenues				
VASH Vouchers	0	152,179	152,179	0
Section 8 Operating	1,846,337	1,445,054	1,475,673	30,619
Section 8 - Modernization - Rehabilitation	8,276	0	0	0
Cloverleaf SRO Vouchers	49,044	110,664	110,664	0
Portability Payments	534,054	225,000	225,000	0
Section 8 Vouchers - Housing Choice	13,873,521	14,593,877	14,309,572	(284,305)
Total Revenues	16,311,232	16,526,774	16,273,088	(253,686)
General City Support	(2,076,569)	0	0	0
180 Community Development Special Revenue Fund				
Expenditures				
Certificate of Compliance Program	606,668	658,677	666,159	7,482
Rehabilitation and Construction	643,449	641,575	647,656	6,081
Director's Office	1,072,044	1,182,620	811,483	(371,137)
Strategy, Policy and Resource Division	300,101	242,443	427,417	184,974
Reserve for Contingencies	0	741	741	0
Transfer to Other Funds	148,179	128,104	128,858	754
Total Expenditures	2,770,441	2,854,160	2,682,314	(171,846)
Revenues				
Certificate of Compliance Program	698,920	658,677	661,519	2,842
Rehabilitation and Construction	626,203	672,851	642,939	(29,912)
Director's Office	1,140,009	1,151,344	810,878	(340,466)
Strategy, Policy and Resource Division	279,437	242,443	422,183	179,740
Reserve for Contingencies	9,749	741	15,937	15,196
Transfer to Other Funds	45,287	128,104	128,858	754
Total Revenues	2,799,605	2,854,160	2,682,314	(171,846)
General City Support	(29,164)	0	0	0

Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
181 CD Loan and Grant Fund				
Expenditures				
Loan and Grants	492,712	605,530	444,016	(161,514)
Transfer to Other Funds	0	38,849	130,000	91,151
Total Expenditures	492,712	644,379	574,016	(70,363)
Revenues				
Loan and Grants	492,712	644,379	574,016	(70,363)
Total Revenues	492,712	644,379	574,016	(70,363)
General City Support	0	0	0	0
182 Federal Housing Assistance Grant Fund				
Expenditures				
Federal HOME Grants	1,305,956	1,666,970	1,666,970	0
American Dream Downpayment	11,893	0	0	0
Total Expenditures	1,317,849	1,666,970	1,666,970	0
Revenues				
Federal HOME Grants	1,305,849	1,666,970	1,666,970	0
American Dream Downpayment	12,000	0	0	0
Total Revenues	1,317,849	1,666,970	1,666,970	0
General City Support	0	0	0	0
183 Grants Consolidated Fund				
Expenditures				
Housing Grants	833,650	1,002,215	1,002,167	(48)
Housing Grants - ESG	98,417	108,340	108,388	48
FEMA - Disaster Housing Assistance	24,309	0	0	0
Homeless Intervention Grant	156,261	296,359	189,480	(106,879)
Total Expenditures	1,112,637	1,406,914	1,300,035	(106,879)
Revenues				
Housing Grants	833,650	1,002,215	1,002,215	0
Housing Grants - ESG	98,417	108,340	108,340	0
FEMA - Disaster Housing Assistance	39,445	0	0	0
Homeless Intervention Grant	202,906	296,359	189,480	(106,879)
Total Revenues	1,174,418	1,406,914	1,300,035	(106,879)
General City Support	(61,781)	0	0	0
Total Department Expenditure	21,651,733	24,892,383	24,175,748	(716,635)
Total Department Revenue	22,113,356	23,114,997	22,562,223	(552,774)
Total General City Support	(461,623)	1,777,386	1,613,525	(163,861)

Position Summary by Program

002 General Fund				
Code Enforcement	24.00	24.00	21.90	-2.10
Total	24.00	24.00	21.90	-2.10
147 Federal Section 8 Program Special Revenue Fund				
Section 8 Operating	16.00	16.00	18.37	2.37
Total	16.00	16.00	18.37	2.37

Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
180 Community Development Special Revenue Fund				
Certificate of Compliance Program	7.00	7.00	7.90	0.90
Rehabilitation and Construction	9.00	9.00	7.75	-1.25
Director's Office	9.00	9.00	2.67	-6.33
Strategy, Policy and Resource Division	4.00	3.00	5.83	2.83
Total	29.00	28.00	24.15	-3.85
182 Federal Housing Assistance Grant Fund				
Federal HOME Grants	0.00	0.00	2.18	2.18
Total	0.00	0.00	2.18	2.18
183 Grants Consolidated Fund				
Housing Grants	0.00	0.00	0.34	0.34
Housing Grants - ESG	0.00	0.00	0.06	0.06
Total	0.00	0.00	0.40	0.40
Total Position Summary	69.00	68.00	67.00	-1.00

Resource Summary Notes

This budget does not incorporate changes in Federal revenue for FY 2009-10 (particularly for the 147 Federal Section 8 Program), which were not available at the time this budget was printed.

Economic Development - Departmental Performance Report

Economic Development

The mission of the Department of Economic Development is to develop, implement and maintain programs that facilitate the creation of a diversified, continually expanding dynamic economy through the development of and investment in new, targeted businesses and enhance existing businesses. This will lead to to the creation of quality jobs, higher wages, and lower tax rates, as well as encouraging the retention and expansion activities and enhancing the overall quality of life in Virginia Beach.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Create New Capital Investment						
Value of New Capital Investment	$	183,750	240,500	183,750	183,750	140,000
Create New Employment Opportunities						
New Employment Opportunities	#	1,200.0	1,513.0	1,474.0	1,200.0	1,500.0
Per Capita Income	$	47,246	44,534	45,870	47,246	49,305
Expand Existing Target Industries						
Existing Companies Expanded	#	50.0	37.0	54.0	50.0	25.0
Existing Women and Minority Firms Expanded	#	2.0	0.0	0.0	2.0	1.0
Locate New Target Industries						
New Companies Located	#	25.0	29.0	54.0	25.0	24.0
New Women and Minority Firms Located	#	3.0	0.0	0.0	3.0	3.0
Number of Company Prospects	#	400.0	422.0	422.0	400.0	300.0
Number of Target Industry Prospects	#	400.0	422.0	451.0	400.0	450.0
Learning & Growth						
Improve Professional Development						
Hours of IT Training Per Employee	#	3.0	0.0	0.0	3.0	3.0

Major Changes

The Economic Deve opment Department FY 2010-11 operating budget, including the genera fund, Central Business District South Tax Increment Financing Fund (T F), and the Town Center Special Service District Fund (SSD) was reduced by $344,467, or 3 5%, and one position less than the previous year.

Change	Impact
Elimination of the Business Expansion/Outreach Program including one position.	• Possible loss of $7.5 million in new capital investments, up to 375 new jobs, and up to 50% reduction in expansion of existing companies.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The department encourages and assists in the retention and expansion of existing businesses and international trade opportunities. Specific outcomes of the Economic Development Program are: 1) a growing local economy, 2) economic opportunity and prosperity for residents, and 3) revenue growth to fund City services. This department is primarily funded by general City revenues. It also reflects the Town Center project accounting, which includes the tax increment financing district and a special services district.

- **Staff Support to the Virginia Beach Development Authority (VBDA)** - Appointed by the City Council, with the goal of facilitating the expansion of the tax base through increased business investment. The VBDA facilitates business/industry location and retention by acquiring, developing and reselling land, and issuing Industrial Revenue Bonds. The VBDA also administers the Economic Development Investment Program (EDIP) capital project (CIP 9 141), which provides a dedicated funding stream (12 cents of the 65 cents cigarette tax) to fund the provision of offsite utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for projects that expand the tax base. To qualify for use of EDIP funds, a company must meet certain criteria, which enhance the economic development of the City.

- **Minority Business Program** - Data indicates that the City does not have a large supply of minority owned businesses. During the August 2004 City Council retreat, they established strengthening participation by minority owned businesses as a top priority. Small businesses are responsible for the creation of many jobs in Virginia Beach's economy, and most of the women owned and minority businesses are small businesses. Nurturing these businesses can help create jobs and expand the City's tax base. By providing some business development services such as referrals, "one stop" services, and incentives, minority owned businesses will be encouraged to develop in or relocate to Virginia Beach.

- **Workforce Development** - Works with our community to focus resources on the development of a qualified workforce, matching the needs of employers and potential employees.

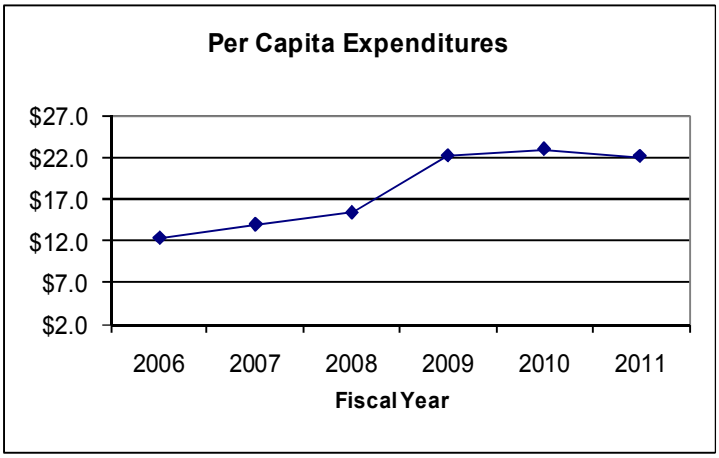
- **Central Business District-South Tax Increment Financing (TIF) Fund** - Established by City Council on November 23, 1999, as a mechanism to fund all or part of public facilities and infrastructure, and to promote development in the Pembroke area of the City. With a TIF, real estate revenues above a base amount can be used to fund improvements within the TIF area.

- **Town Center Special Service District (SSD) Fund** - Established by City Council on May 14, 2002. In accordance with the Town Center Development Agreement, this district was created in FY 2002 03 to provide annual operations and maintenance costs associated with the core parking facilities as well as security, street sweeping, pressure washing sidewalks, landscaping, and refuse collection at public waste receptacles within the Town Center core area. The rate was established at 57 cents annually based on estimated operations and maintenance costs. This rate has changed as other projects near completion and based on the level of maintenance desired by the property owners. In FY 2007 08, the rate was lowered to 50 cents. The FY 2008 09 budget lowered the rate to 45 cents. Rates will be adjusted based on costs and current funding capacity. Currently, seven blocks (3, 4, 5, 8, 10, 11, and 12) of the Town Center core area are

in the special district, and the district will expand as other blocks are developed. It should be noted that only property owners within the designated special tax district area are subject to paying the associated increased tax rate.

Trends and Issues

- The 45% increase in FY 2008-09 is due to several items. First, $500,000 provides for implementing activities associated with the City Council's adoption of the 2009 Comprehensive Plan in the Strategic Growth Areas (SGA). In conjunction with this, there was $3,000,000 per year programmed in Capital Improvement Project 9-081 Strategic Growth Area Program, to coordinate actions between contractual project management and consulting expertise involving relocation, legal expertise, infrastructure needs, and land acquisition in the strategic growth areas. In FY 2009-10, funding for the Strategic Growth Area was moved from the operating budget to the capital project and the responsibilities for coordinating the work in the Strategic Growth Areas was transferred to the Strategic Growth Area Office (see the Non-Departmental section under Quality Organization).



- Due to reduced funding levels, the budgeted amount for advertising, publicity, and promotional literature ($339,554) is 5.9% lower.

- The economic downturn has delayed construction in the Town Center District. This has resulted in a $186,817 reduction in the Central Business District South TIF, and a $110,753 reduction in the Town Center SSD budgeted amounts compared to the previous year.

Council Amendment

On May 11, 2010, City Council voted to add $100,000 to replace revenues lost due to the State's assuming the sale of industrial revenue bonds. In the past, the Virginia Beach Development Authority issued industrial revenue bonds for businesses and received commissions as a result. Since the State expanded its capacity to issue industrial bonds, this has greatly reduced issuances by the City.

Economic Development - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Director of Economic Development	2,656,922	2,045,444	2,098,549	53,105
Total Expenditures	2,656,922	2,045,444	2,098,549	53,105
Revenues				
Director of Economic Development	53,744	0	0	0
Total Revenues	53,744	0	0	0
General City Support	2,603,178	2,045,444	2,098,549	53,105
169 Central Business District-South TIF (Twn Cntr) Fd				
Expenditures				
Central Business District South TIF	4,744,906	0	0	0
Reserve for Contingencies	0	119,880	119,919	39
Transfer to Other Funds for Debt Service	5,296,567	5,681,054	5,614,117	(66,937)
Total Expenditures	10,041,473	5,800,934	5,734,036	(66,898)
Revenues				
Central Business District South TIF	53,332	0	0	0
Transfer to Other Funds for Debt Service	9,988,141	5,800,934	5,734,036	(66,898)
Total Revenues	10,041,473	5,800,934	5,734,036	(66,898)
General City Support	0	0	0	0
174 Town Center Special Service District				
Expenditures				
Town Center Parking Operations	1,340,878	1,811,331	1,700,576	(110,755)
Reserve for Contingencies	0	283,564	283,564	0
Total Expenditures	1,340,878	2,094,895	1,984,140	(110,755)
Revenues				
Town Center Parking Operations	1,273,942	1,811,331	1,700,576	(110,755)
Reserve for Contingencies	272,971	283,564	283,564	0
Total Revenues	1,546,913	2,094,895	1,984,140	(110,755)
General City Support	(206,035)	0	0	0
Total Department Expenditure	14,039,273	9,941,273	9,816,725	(124,548)
Total Department Revenue	11,642,130	7,895,829	7,718,176	(177,653)
Total General City Support	2,397,143	2,045,444	2,098,549	53,105

Position Summary by Program				
002 General Fund				
Director of Economic Development	17.00	16.00	15.00	-1.00
Total	17.00	16.00	15.00	-1.00
Total Position Summary	17.00	16.00	15.00	-1.00

Commonwealth's Attorney - Departmental Performance Report

Commonwealth's Attorney

The Office of the Commonwealth's Attorney is responsible for reviewing and prosecuting all felony cases, domestic violence and City/State misdemeanor cases required by law or court order, and to provide legal training and advice to police officers, magistrates, and other local officials. The Office also provides services and support for the victims and witnesses involved in the various cases handled by the Office.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Conviction Rate - Domestic Violence						
Conviction Rate for Domestic Violence Defendants	%	75.0	75.0	78.0	75.0	75.0
Number of Domestic Violence Defendants Prosecuted	#	2,400.0	2,586.0	2,304.0	2,400.0	2,400.0
Percent of Opened Domestic Violence Cases Closed	%	96.0	99.0	96.0	96.0	96.0
Conviction Rate - Property Crime						
Conviction Rate for Property Crimes	%	94.0	94.0	98.0	94.0	94.0
Number of Property Crime Defendants Prosecuted	#	1,600.0	1,694.0	1,473.0	1,600.0	1,600.0
Percent of Opened Property Crime Cases that were Closed	%	85.0	85.0	87.0	85.0	85.0
Conviction Rate - Serious Narcotics Violations						
Conviction Rate for Serious Narcotics Violations	%	95.0	97.0	97.0	95.0	95.0
Number of Drug Defendants Prosecuted	#	750.0	808.0	665.0	750.0	750.0
Percent of Opened Drug Cases that Were Closed	%	95.0	91.0	98.0	95.0	95.0
Conviction Rate - Violent Felonies						
Conviction Rate for Violent Felony Defendants	%	96.0	90.0	96.0	96.0	96.0
Number of Violent Felony Defendants Prosecuted	#	650.0	660.0	638.0	650.0	650.0
Percent of Opened Violent Felony Cases Closed	%	90.0	92.0	82.0	90.0	90.0
Investigate/Mediate 75% Consumer Affairs Requests						
Complaints Received by Consumer Affairs	#	0.0	391.0	497.0	500.0	0.0
Percent of requests investigated/mediated	%	0.0	88.0	84.0	85.0	0.0
Provide Information on the Prosecutorial Process						
Hours Spent on Responses to Victims and Witness Inquiries	#	9,500.0	4,160.0	9,360.0	9,500.0	9,500.0
Number of Responses to Victim and Witness Supported	#	23,000.0	9,749.0	20,810.0	23,000.0	25,000.0
Percent of victim and witness inquiries within 3 days	%	100.0	100.0	100.0	100.0	100.0
Support 85% Felony and Domestic Violence Victims						
Number of victims and witnesses supported	#	40,000.0	30,543.0	39,692.0	40,000.0	40,000.0
Percent of all Victims and Witnesses Supported	%	99.0	99.0	99.0	99.0	99.0
Staff Hours Spent on Support of Victims and Witnesses	#	20,800.0	14,560.0	18,720.0	20,800.0	20,800.0

Major Changes

In total, the Commonwealth's Attorney's Office decreased by 4.0 FTEs in FY 2010-11. The budget for this department was prepared based on the latest information available at the time regarding the State budget. It will be adjusted once the State budget is finalized, including the adjustments discussed with City Council prior to adoption.

Change	Impact
Elimination of Consumer Affairs Program	• This budget eliminates the City funded Consumer Affairs Office and the associated three full time Consumer Affairs Investigators. One additional position was eliminated in the FY 2009-10 budget. • The services provided were investigating and mediating consumer complaints; pursuing consumer protection cases in court; and providing literature and education to the public on consumer issues. • The State provides similar services for citizens to address their issues in the Department of Agriculture and Consumer Services. • The impact of not funding this service locally will be that citizens will experience delays in addressing their complaints.
Transfer of Restitution Program to the City Treasurer	• The Restitution Program consists of one Delinquent Accounts Officer which has transferred to the City Treasurer's Office. • The program monitors, collects and distributes restitution ordered through the Virginia Beach courts on behalf of victims of crime. • The Code of Virginia allows the implementation of a fee to cover administrative costs when the Treasurer's Office performs restitution services with FY 2010-11 revenue, estimated at $122,000.

Additional information about program reductions is available in Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The Commonwealth's Attorney is an elected, constitutional, law enforcement official who is independent in his duties from both the City and the Commonwealth. The Commonwealth's Attorney's Office is funded by a combination of City funding, State funding and grants. The primary responsibilities of the Commonwealth's Attorney's Office are:

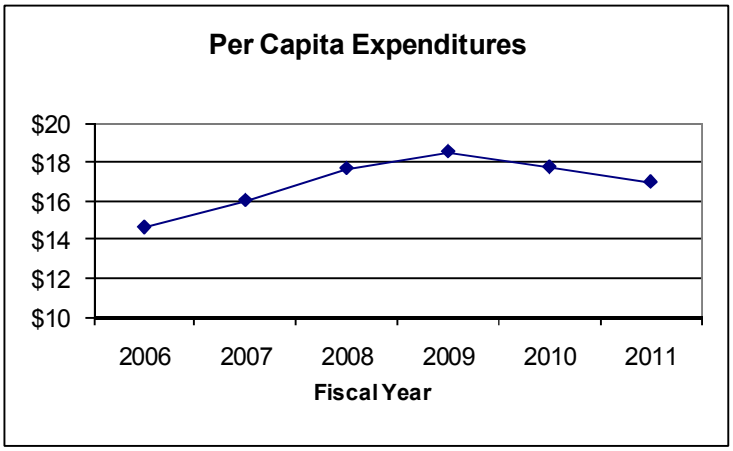
- To review all felony and selected misdemeanor cases and the prosecution of those cases where there is sufficient evidence.

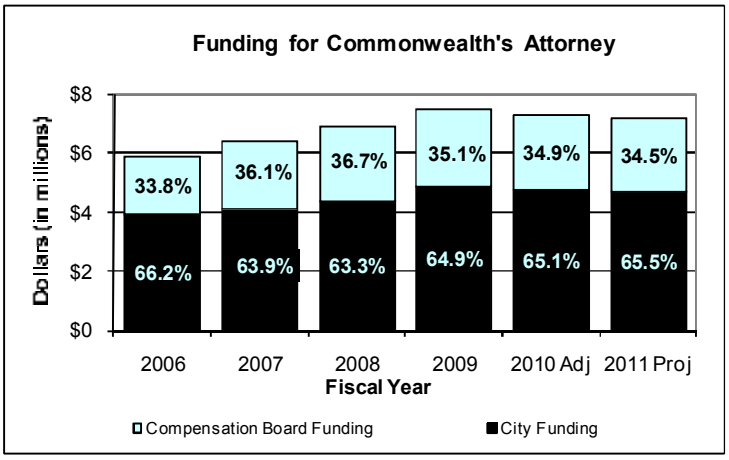
- To provide legal training and advice to local officials, law enforcement, and other public safety agencies when requested.

- To prepare the Circuit Court criminal docket and handle preliminary hearings on felony cases in the General District Court and the Juvenile and Domestic Relations Court

Trends and Issues

- The increase from FY 2005-06 to FY 2007-08 is primarily attributable to personnel cost increases, including eight additional positions granted by the Compensation Board. The decline in expenditures between FY 2008-09 to FY 2010-11 is attributable to the elimination of the Consumer Affairs Program (a total of 4.0 FTEs), the transfer of the Restitution Program (1.0 FTE) and reduced State funding





- The percentage of funding provided by the City to the Commonwealth's Attorney's Office had been steadily increasing from FY 2000-01 (55.2%) through FY 2003-04 (64.8%) mainly because the compensation provided by the City outpaced the growth in the Compensation Board reimbursement from the State. As shown in the funding graph, this trend has fluctuated over the past few years. The Compensation Board has provided annual salary increases closer to the increases provided by the City in recent years. As shown in the graph, overall funding for the Office remains relatively consistent between FY 2009-10 and FY 2010-11

Council Amendment

On May 11, 2010, City Council voted to restore $82,144 in operating costs.

Commonwealth's Attorney - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Commonwealth's Attorney	6,913,253	6,765,667	6,993,815	228,148
Consumer Affairs	337,270	235,810	0	(235,810)
Victim/Witness	239,800	258,603	212,438	(46,165)
Total Expenditures	7,490,323	7,260,080	7,206,253	(53,827)
Revenues				
Commonwealth's Attorney	2,627,536	2,531,046	2,457,229	(73,817)
Consumer Affairs	130	0	0	0
Total Revenues	2,627,666	2,531,046	2,457,229	(73,817)
General City Support	4,862,657	4,729,034	4,749,024	19,990
142 DEA Seized Property Special Revenue Fund				
Expenditures				
DEA - Commonwealth's Attorney	82,324	114,500	200,000	85,500
Total Expenditures	82,324	114,500	200,000	85,500
Revenues				
DEA - Commonwealth's Attorney	82,324	0	0	0
Reserve for Contingencies	0	114,500	200,000	85,500
Total Revenues	82,324	114,500	200,000	85,500
General City Support	0	0	0	0
183 Grants Consolidated Fund				
Expenditures				
Commonwealth's Attorney - Grants	294,786	323,638	322,968	(670)
Total Expenditures	294,786	323,638	322,968	(670)
Revenues				
Commonwealth's Attorney - Grants	302,711	323,638	322,968	(670)
Total Revenues	302,711	323,638	322,968	(670)
General City Support	(7,925)	0	0	0
Total Department Expenditure	7,867,433	7,698,218	7,729,221	31,003
Total Department Revenue	3,012,701	2,969,184	2,980,197	11,013
Total General City Support	4,854,732	4,729,034	4,749,024	19,990

Position Summary by Program				
002 General Fund				
Commonwealth's Attorney	78.90	77.90	77.90	0.00
Consumer Affairs	4.00	3.00	0.00	-3.00
Victim/Witness	4.00	4.00	3.00	-1.00
Total	86.90	84.90	80.90	-4.00
183 Grants Consolidated Fund				
Commonwealth's Attorney - Grants	6.50	6.50	6.50	0.00
Total	6.50	6.50	6.50	0.00
Total Position Summary	93.40	91.40	87.40	-4.00

Courts and Courts' Support - Departmental Performance Report

Courts and Courts' Support						
The mission of the court system is to provide an accessible and responsive forum for the resolution of disputes through the rule of law and quality service that ensures that all are treated with courtesy, dignity and respect.						
Objective/Performance Measure	**Unit**	**Annual Target**	**Actual 2008**	**Actual 2009**	**Est. 2010**	**Proj. FY 2011**
Customer						
Conduct Bail Hearings						
Bail Hearings Conducted	#	36,000.0	43,913.0	42,955.0	38,660.0	36,727.0
Process Real Estate Documents in a Timely Manner						
Customer Service Hours Per Week - Circuit Court Clerk	#	47.5	47.5	47.5	34.5	34.5
Deeds Recorded	#	104,000.0	96,676.0	100,154.0	104,160.0	108,306.0
Deeds Returned within Three (3) Days	%	100.0	100.0	100.0	100.0	100.0
Total Documents Recorded	#	140,000.0	138,340.0	138,591.0	140,000.0	141,400.0
Receive, Index and Docket all New Adult and Juvenile Cases						
New Cases Filed in Juvenile and Domestic Relations Court	#	31,000.0	33,676.0	31,130.0	30,987.0	31,000.0
Try Criminal, Traffic, and Civil Cases						
Cases Tried per Judge	#	27,239.0	29,305.0	31,130.0	32,375.0	33,671.0
New Cases Filed in General District Court	#	230,000.0	205,133.0	217,912.0	226,628.0	235,964.0
Internal Process						
Ratio of Juveniles Diverted to Outreach Detention						
Children Placed in Detention Outreach Program	#	1,317.0	1,650.0	1,492.0	1,402.0	1,317.0
Juveniles Diverted to the Detention Outreach Program	%	75.0	75.0	75.0	74.0	74.0
Timely Adjudication of Felony Criminal Cases						
Criminal Felony Cases - Disposition within 120 Days	%	46.4	51.6	50.1	50.0	40.0

Major Changes

In total, the proposed budget for Courts and Courts' Support decreases by $71,518, or 1.1% for FY 2010-11. The budget for this department was prepared based on the latest information available at the time regarding the State budget. It will be adjusted once the State budget is finalized, including the adjustments discussed with City Council prior to adoption.

Change	Impact
Reduced State funding for the Clerk of the Circuit Court, which occurred in mid year FY 2009 10.	• Elimination of 11 positions (10 State and 1 City) and curtailing of customer service hours from 47.5 hours to 34.5 hours per week. • Shortage of Deputy Clerks to assist judges in courtrooms. • Delay in the processing of documents.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

Most of the programs and services provided by Courts and Courts' Support are funded in large part by the State, but they also receive funding from the City. Shown here, with the exception of the Clerk of the Circuit Court, is only the City portion of their funding. Each Court has a separate State budget. Due to this split in funding sources, many of the courts and their support functions are receiving budget reductions from both the City and the State. The services provided by the Courts and Courts' Support are:

- **Virginia Beach Circuit Court** – is the trial court of record in the City. This court hears cases such as felonies and misdemeanors originating from grand jury indictments; appeals of felonies and misdemeanors committed by juveniles; cases involving juveniles 14 or older that have been certified to the Circuit Court by the Juvenile and Domestic Relations District Court; civil cases (exclusive for almost all claims exceeding $15,000 and concurrent jurisdiction with the General District Court for claims from $4,500 to $15,000); equity suits; adoptions; name changes; appeals from General District Court; appeals from Juvenile and Domestic Relations District Court; and writs of mandamus, prohibition, and certiorari involving proceedings arising from actions of the local governing body.

- **General District Court** – Hears cases such as traffic violations; civil cases (exclusive original jurisdiction for almost all claims not exceeding $4,500) and concurrent jurisdiction with the Circuit Court claims from $4,500 to $15,000; criminal misdemeanors; preliminary hearings for criminal felonies; bond hearings and arraignments. This Court also conducts preliminary hearings in adult felony cases, all traffic infractions involving adults, and conducts mental commitment hearings.

- **Juvenile and Domestic Relations District Court** - Hears such cases as delinquents; juveniles accused of traffic violations; children in need of services; children in need of supervision; children who have been subjected to abuse or neglect; family or household members who have been subjected to abuse; adults accused of child abuse, neglect or offenses against members of their own family (juvenile or adult); adults involved in disputes concerning the support, visitation, parentage, or custody of a child; adults involved in criminal matters where children or family/household members are named victims; abandonment of children; foster care and entrustment agreements; court ordered rehabilitation services; and court consent for certain medical treatments. The judges also present operator's licenses to approximately 100 juveniles on Wednesdays.

- **Clerk of the Circuit Court** - Provides a reliable records system and administers the Courts responsively and fairly for the legal community and the general public. This unit is charged with the custody, safekeeping, and proper indexing of legal and quasi-legal papers deposited in the Clerk's office. This office records and documents and plats; files and dockets Civil, Criminal, and Chancery cases; assigning a deputy clerk to each courtroom to assist the Circuit Court judges; handling the probate of wills; issuing hunting and fishing licenses; issuing marriage licenses; processing notary public applications; docketing judgments and financial statements; recording military discharge forms (DD-214); and recording business assumed-name certificates.

- **The Magistrate** – Conducts an independent, unbiased review of all criminal complaints, probable cause search warrant hearings, specifically defined civil complaints and all involuntary mental commitment hearings as presented by law enforcement officers, local, State, or Federal governmental agencies, citizens, and visitors to Virginia Beach. The Magistrate serves as a neutral judicial officer of the court and is often the first contact and may be the only access that a citizen may have into the court system. The Magistrate's office issues arrest warrants; issues search warrants; admits to bail or commits to jail; issues summonses in misdemeanor cases and subpoenas; issues civil warrants; accepts prepayment for certain offenses (certain traffic and minor misdemeanor violations); issues emergency custody orders; issues temporary mental detention orders; issues medical emergency detention orders; issues emergency protective orders (family abuse cases); and issues out of service orders (this prohibits a person who has been found to have a measurable amount of alcohol in his/her blood from driving a commercial motor vehicle for twenty-four hours).

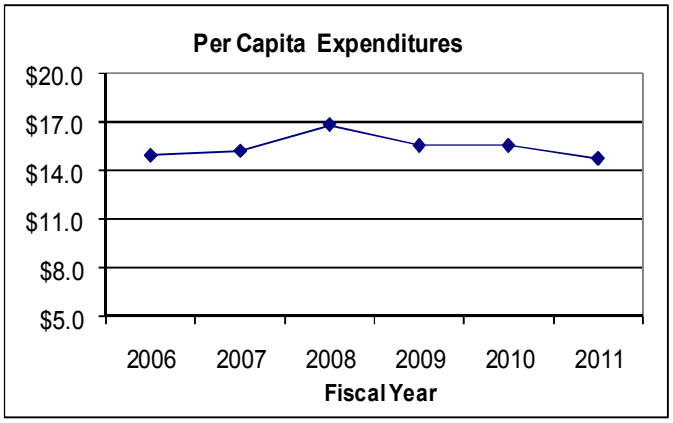
- **Court Services Unit (Juvenile Probation)** – Provides probation supervision to children placed on probation by the Juvenile Court and parole services to those youth who have been committed to the Department of Juvenile Justice. The Court Services Unit processes all petitions for the Juvenile Court and provides intake services to the Virginia Beach Police and the general public. Support services are provided to victims of spousal abuse. The Unit prepares all social history background investigations for the Juvenile Court and refers juveniles who are before the Court to community based systems of sanctions, programs, and services.

Trends and Issues

- The only area in the Courts and Courts' Support section that is proposed for an increase in FY 2010-11 is the General District Court. This is due to the increased use of court appointed attorney's that has occurred over the last three years.

- Pursuant to legislative changes effective July 1, 2008, only those magistrates who have been continuously employed as a magistrate on or before that date are eligible to receive a local salary supplement. Magistrates hired after July 1, 2008 are not permitted to receive any type of salary supplement from the locality in which they serve. Due to attrition in the Magistrate's office, salary supplements have decreased significantly.

- As the graph shows, the State continues to reduce funding for the courts. City Council's policy of not supplanting State funding has resulted in reductions in the budget amounts over the past three fiscal years. The increase in FY 2008 is due to a mid-year increase totaling $526,100 of State funding for the Clerk of the Circuit Court for technology.



- To meet budgetary constraints, the Clerk of the Circuit Court had to reduce contracted manpower, office supplies, and other accounts totaling $54,358. Should the State budget reduce reimbursements to localities, budget units such as the Clerk's may have to resort to reduced hours of operations or the furloughing of employees. The Clerk's Office began FY 2009-10 with 58 positions. A mid-year reduction of State funding resulted in the loss of 11 positions (10 State and 1 City). This has resulted in employee furloughs, a shortage of Deputy Clerks to assist judges in courtrooms, a reduction in customer service hours from 47.5 hours to 34.5 hours per week, and delays in the processing of documents. The Clerk's budget of $2,512,025 for FY 2010-11 is reduced by $17,681 over the previous year. This budget reflects a $258,122 reduction in the State funding amount, which occurred mid-year in FY 2009-10.

- Pre-dispositional services in Juvenile Probation provide shelter care and alternative options to juveniles before their sentences are determined by a judge. These services account for the largest portion of the Court Services Unit and total $1,549,229 in FY 2010-11. This is a reduction of $130,851 to the pre-dispositional program when compared to FY 2009-10. This reduction will not impact the services offered by this program; however, this is seen as an efficiency savings as the number of juveniles entering the program has declined in recent years. City post-dispositional funding which provides funding above the State amount for temporary beds for juveniles has seen no change in FY 2010-11.

Council Amendment

As a result of additional state funding, the operating budget adopted by City Council on May 11, 2010 restores 11 state positions that were cut mid-year in FY 2009-10. The hiring of these additional positions is contingent on the availability of funding for both years of the state's biennium budget.

Courts and Courts' Support - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Circuit Court	1,012,602	998,897	957,408	(41,489)
General District Court	448,612	320,995	494,693	173,698
Juvenile and Domestic Relations District Court	160,246	162,320	143,839	(18,481)
Clerk of the Circuit Court	2,760,181	2,529,706	2,775,084	245,378
Magistrates	127,727	130,910	97,296	(33,614)
Juvenile Probation	1,503,852	2,052,190	1,928,489	(123,701)
Juvenile Probation CHINS Unit	220,798	305,284	295,034	(10,250)
Total Expenditures	6,234,018	6,500,302	6,691,843	191,541
Revenues				
General District Court	1,222	75,146	75,146	0
Juvenile and Domestic Relations District Court	5,583	0	0	0
Clerk of the Circuit Court	8,719,286	1,627,955	1,911,537	283,582
Total Revenues	8,726,091	1,703,101	1,986,683	283,582
General City Support	(2,492,073)	4,797,201	4,705,160	(92,041)
Total Department Expenditure	6,234,018	6,500,302	6,691,843	191,541
Total Department Revenue	8,726,091	1,703,101	1,986,683	283,582
Total General City Support	(2,492,073)	4,797,201	4,705,160	(92,041)

Position Summary by Program				
002 General Fund				
Circuit Court	12.00	12.00	12.00	0.00
Clerk of the Circuit Court	58.00	47.00	58.00	11.00
Juvenile Probation	1.00	1.00	1.00	0.00
Juvenile Probation CHINS Unit	5.00	5.00	5.00	0.00
Total	76.00	65.00	76.00	11.00
Total Position Summary	76.00	65.00	76.00	11.00

Emergency Communications and Citizen Services - Departmental Performance Report

Emergency Communications and Citizen Services

The mission of Emergency Communications and Citizen Services is to provide efficient, accurate, professional processing of emergency, non-emergency and information requests. This is achieved through commitment, teamwork, excellent customer service, and a willingness to serve in a respectful and professional manner.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Complete Service Requests for City Agencies						
3-1-1 Average Wait Time - in seconds	#	18.0	27.5	17.8	15.8	20.0
Calls Handled without Transfer	%	75.0	76.0	74.0	74.0	74.0
Service Requests Handled for City Agencies	#	33,000.0	33,815.0	34,206.0	31,133.0	30,195.0
Increase the Use of Online Requests for Information						
3-1-1 Online Inquiries	#	25,000.0	22,600.0	27,857.0	24,312.0	22,875.0
Time Staff Available to Handle 3-1-1 Online Requests	%	99.0	98.0	98.0	98.0	98.0
Process Emergency Calls in a Timely Manner						
9-1-1 Calls Received	#	235,000.0	231,276.0	232,599.0	233,762.0	234,961.0
E 9-1-1 Average Wait Time - in seconds	#	6.0	8.0	9.0	9.0	9.0
EMS Calls Received and Processed	#	40,000.0	38,051.0	38,315.0	40,188.0	41,313.0
Priority 1 EMS Calls Dispatched within 90 Seconds	%	90.0	91.2	91.6	91.1	90.0
Priority 1 EMS Calls Processed in Under 2 Minutes	%	90.0	84.2	85.2	86.0	81.0
Public Safety Calls Received, Entered and Dispatched	#	480,000.0	485,796.0	491,141.0	496,052.0	496,100.0
Provide Accurate Location Information to Emergency Personnel						
Dispatch Location Error Rate	%	0.5	0.0	0.0	0.0	0.8
Internal Process						
Recruit, Hire and Retain 9-1-1 Operations Employees						
Public Safety Emergency Telecom I Hires Retained for 3 Years	%	80.0	64.0	70.0	69.0	72.0
Public Safety Emergency Telecom Retained through Probation	%	85.0	54.0	82.0	71.0	72.0

Major Changes

In total, the Emergency Communications and Citizen Services (ECCS) Department will have a $27,570 or 0.3% increase in their budget in FY 2010-11. Although the department's total budget is proposed to increase, E 9-1-1 is facing a significant reduction in telecommunications tax revenue. A portion of this tax is distributed to every Public Safety Answering Point (PSAP) throughout the state based on a formula. In February, ECCS was informed of the potential loss of approximately $400,000 of funding for E 9-1-1 as the State Wireless Services Board considered a recalculation of the distribution formula.

In spite of this loss of State revenue, the budget for the department is showing a slight increase. This increase is due to the transition of several expenditures from the City's Communications and Information Technology (Com IT) Department to ECCS. Although the transition of ECCS to an independent department occurred last fiscal year, expenditures are still being moved from Com IT to their appropriate location in ECCS and the transfer of these funds is being reflected in this year's budget. These items are mostly related to software maintenance contracts for the department's computer aided dispatch system and the voice logger recorder that records all E 9-1-1 calls as required by law.

A summary of the major departmental impacts from the loss of State funding are listed below:

Change	Impact
Reduction of E-9-1-1 Telecommunicator's • Reduction of 2.0 FTEs in Emergency Communications	• This will increase wait times for callers to E 9 1 1, because there will be fewer personnel available to handle calls. • Due to the fast paced, high stress work environment in which telecommunicator's perform their duties, these positions have historically had higher turnover rates than other positions in the City. The reduction of staff will place an even greater burden on the remaining staff to ensure adequate coverage which may exacerbate the turnover problem. • Because of minimum staffing requirements, overtime may increase which increases costs and decreases worker productivity.
Reduction in Hours of Operation at 3-1-1 Citizen Services • A 1.0 FTE reduction in 3-1-1 Citizen Services $20,000 reduction in contracted manpower	• Sunday through Saturday, hours of operation at the 3-1-1 Citizen Services Center will be reduced from the current 24 hours a day schedule to 7:00 a.m. to 11:30 p.m. each day. • Residents will not be able to access live information/assistance (via telephone or online chat) from 11:30 p.m. until 7:00 a.m. each day. • During FY 2008-09, 8.5% of all calls to the 3-1-1 Citizen Services call center and 5.0% of the online chats that occurred were during the hours that the call center will now be closed. • Information will be available on the City's website 24 hours a day, seven days per week.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

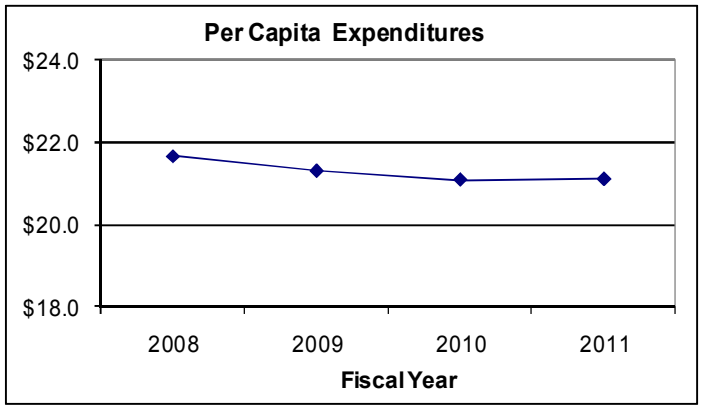
A majority of ECCS revenue comes from general City support, although 16.8% of the department's revenue comes via the State from a portion of the telecommunications tax levied on every wireless telephone throughout the state. The department is comprised of two programs:

- **VB 9-1-1 Emergency Communications** VB 9 1 1 receives and processes citizens' calls for emergency and non-emergency service for police, fire, and EMS. 911 is specifically used for emergencies (police, fire, EMS) where an immediate response is required from emergency personnel.

- **3-1-1 Citizen Services** - VB 3 1 1 processes general government information and services via multiple communication channels such as telephone, online assistance, email, fax, print, radio dispatching and emergency notifications. 311 assists various City agencies such as Animal Control, Real Estate Assessor, Code Enforcement, "after hour" Public Utilities and Public Works with their information/service requests.

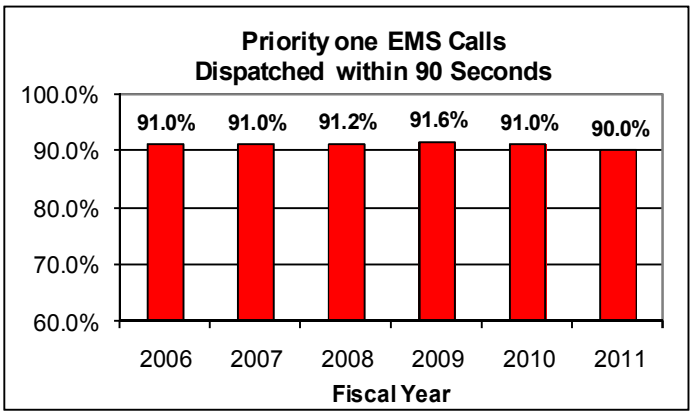
Trends and Issues

- Budgeted expenditures per capita decreased from FY 2007 08 to 2009 10 (Figures for FY 2007 08 and 2008 09 are historic data from when ECCS was a division of the ComIT Department). However, proposed expenditures are expected to grow slightly in the department's second year of existence.



In order to balance the department's budget, a multitude of training resources for emergency telecommunicator's are reduced. This includes the elimination of two contract positions that provided on site continuing education to emergency telecommunicators to keep the City's staff up to date on the latest techniques and practices in the field of emergency dispatch. These contract trainers will be replaced by certified trainers on staff; however, using existing staff resources will take these employees away from their regular duties leaving fewer staff to answer and dispatch public safety calls.

n addition to the reduction of contracted manpower for training, the department is reducing its membership in the Association of Public-Safety Communications Officia s nternatio al (APCO) as well as other professiona pub ic safety communications organizatio s. These organizations provide information on next generation 9-1-1, best practices, and Federa /State/local guidelines impacting 9-1-1 ECCS also eliminated funding for attendance at State, regional and national training conducted by the Commission on Accreditation for Law Enforcement Agencies (CALEA) as we l as attendance at the nationa conference Due to these reductions, 9-1-1 wil eventually sacrifice the international accreditation granted by CALEA, which recognizes the City of Virginia Beach as one of the premier 9-1-1 communications centers in the USA, and abroad. Lack of training wi l diminish the department's ability to keep up with newer technologies that cou d aid in the performance of the department.



- n FY 2009, VB 9-1-1 received, processed and dispatched 491,141 calls for police, fire, EMS, or anima contro service. This was an increase of 1 1% from the previous fiscal year

- From 2006 to 2009, VB 9-1-1 has dispatched over 90% of priority one EMS calls within 90 seconds. ECCS projects that this percentage wi l decrease slight y in fisca years 2010 and 2011 due to vacancies and the reduction of two te ecommunicator positions

Emergency Communications and Citizen Services - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Emergency Communications	9,618,364	8,801,779	8,407,983	(393,796)
Citizen Services	303,167	366,515	787,881	421,366
Total Expenditures	9,921,531	9,168,294	9,195,864	27,570
Revenues				
Emergency Communications	2,242,152	1,941,396	1,541,396	(400,000)
Total Revenues	2,242,152	1,941,396	1,541,396	(400,000)
General City Support	7,679,379	7,226,898	7,654,468	427,570
Total Department Expenditure	9,921,531	9,168,294	9,195,864	27,570
Total Department Revenue	2,242,152	1,941,396	1,541,396	(400,000)
Total General City Support	7,679,379	7,226,898	7,654,468	427,570

Position Summary by Program				
002 General Fund				
Emergency Communications	115.00	110.00	106.00	-4.00
Citizen Services	17.00	17.00	16.00	-1.00
Total	132.00	127.00	122.00	-5.00
Total Position Summary	132.00	127.00	122.00	-5.00

Emergency Medical Services - Departmental Performance Report

Emergency Medical Services

The mission of the Department of Emergency Medical Services (EMS) is to deliver valued services to the community that preserve life, improve health, and promote the safety of citizens and visitors, who live, learn, work and play in our community while maintaining a sustainable systems approach that is focused on dynamic resource utilization to enhance the overall quality of life in Virginia Beach.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Provide Rapid Basic Life Support (BLS) and Advanced Life Support (ALS)						
Number of Advanced Life Support (ALS) Calls Treated/Transported	#	11,084.0	10,993.0	10,860.0	11,084.0	11,306.0
Number of Ambulance Calls for Service	#	39,064.0	38,051.0	38,315.0	39,064.0	40,049.0
Number of Basic Life Support (BLS) Calls Treated & Transported	#	15,307.0	14,495.0	15,020.0	15,307.0	15,613.0
Percentage of Time that 9 Ambulances are Continuously Staffed	%	100.0	81.0	86.0	85.0	85.0
Volunteer Speciality Team Response Program						
Number of Requests for Response of EMS SWAT Team	#	16.0	13.0	15.0	16.0	17.0
Number of Requests for Response of Marine Response Program	#	190.0	151.0	186.0	190.0	194.0
Number of Requests for Response of Search & Rescue Team	#	6.0	6.0	5.0	6.0	7.0
Financial						
Recruit and Retain Volunteers						
Number of Applicants Registered for Orientation Program	#	870.0	854.0	816.0	870.0	900.0
Number of EMS Volunteer Credentialed Personnel	#	225.0	200.0	215.0	225.0	250.0
Number of EMS Volunteer Recognition Activities	#	23.0	17.0	22.0	23.0	24.0
Number of EMS Volunteer Recruitment Events	#	68.0	64.0	59.0	68.0	74.0
Learning & Growth						
Emergency Medical Services Training Program						
Number of ALS Continuing Education Students	#	935.0	819.0	1,031.0	935.0	1,000.0
Number of Re-certification CPR Students Taught	#	1,140.0	1,219.0	1,423.0	1,140.0	1,100.0
Number of American Heart Assocation CPR Students Taught	#	295.0	356.0	297.0	295.0	300.0
Number of BLS Continuing Education Students	#	110.0	85.0	106.0	110.0	120.0
Number of Cardiac & Pediatric ALS Recertification Students	#	130.0	144.0	216.0	130.0	200.0
Number of EMS Recruits Trained as Emergency Medical Technician-B	#	84.0	58.0	66.0	84.0	90.0

Major Changes

In total, the Department of Emergency Medical Services (EMS) operating budget decreased 1.8% or $133,663. To maintain its emergency response capability, retain full career staffing, and support costs for operations and the Volunteer Rescue Squads, cost reductions in excess of $133,663 were made by charging delivery of lifeguard services at Sandbridge, a one year deferral in replacing defibrillators, and other efficiency savings as shown below.

Change	Impact
Change in the delivery of lifeguard services to Sandbridge Beaches from an outside contractor at a cost of $270,785 to in house service at a cost of $164,800. This change in service delivery was made in late FY 2009 10 for the start of the 2010 summer season and involves part time lifeguard and lifeguard supervisors.	• Providing the service in house will address performance issues with the current contractor and provides at least $105,985 in annual savings.
One time savings from the reduction of $200,000 for the second year of funding for replacement of aged and obsolete defibrillators in EMS and the Fire Department (Fire).	• These electrocardiogram monitors are approximately 10 years old and no longer supported by the manufacturer. EMS and Fire were first funded in FY 2009 10 with $200,000 to begin a five-year phased approach to replacing their inventory of defibrillators (51 in EMS and 34 in Fire). With the use of State and Federal grants along with City funding, EMS replaced 14 units and Fire replaced 23. • EMS has applied for a State FY 2010-11 Rescue Squad Assistance Fund grant to replace 15 units (4 12 lead and 11 3 lead) for ambulances and fire apparatus, but will need a 50% match of $124,563 if the grant is awarded. This funding could come from the General Fund Reserve for Contingencies.
Continued reduction in State Four for Life Grant funding is anticipated totaling $24,454, which is an 8% reduction. This follows a 5% ($14,449) reduction in FY 2009-10.	• Revenue estimates will be refined once the State FY 2010-11 budget is finalized. The impact will be reductions in media advertising, basic support to the volunteer rescue squads, medical training supplies, and uniforms; however based on prior years' spending patterns, there is flexibility in the budget to change the focus of the spending as circumstances change.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The core services of the Emergency Medical Services Department fall into five areas:

- **Administration** - Provides for leadership, direction and support through the provision of manpower (retention and recruitment, human resources), development of policies, management of departmental budgets and finances, performance of liaison activities with related State, local and Federal agencies; processing of public inquiries, provision of logistics support, gathering and analysis of data and research, and development of programs.

- **Operations and Emergency Response** - Provide for the rapid response to and proper provision of basic and advanced patient care pre-hospital and interfacility care services, as well as specialized services to the general public to reduce patient morbidity and mortality. This involves oversight of ten independent Volunteer Rescue Squads comprised of 598 highly trained and certified volunteer medics distributed throughout 15 Fire and EMS stations throughout the City, and supervision of 37 career medics that augment volunteers to ensure staffing of a minimum of 8-to-9 ambulances daily. In addition, provides specialized rescue teams (marine rescue, bike medics, SWAT tactical medical and rescue, squad

truck technical rescue), anti-terrorism incident response, mass casualty operations, and disaster preparedness and response.

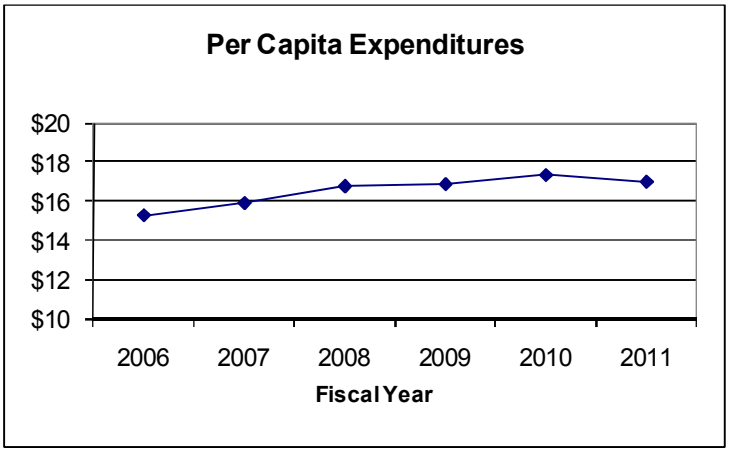
- **Regulation and Enforcement** - Provides the oversight of medical control to ensure medical protocols are followed; conducts quality assurance assessments; inspects commercial EMS ambulance agencies operating in the City; manages the lifeguard contract serving the resort area beaches from 2nd Street to 42nd Street including 57th Street; and provides oversight for infection control as well as mandates promulgated by the Federal and State governments.

- **Training** - Provides basic life support, advanced life support and specialized training for EMS volunteers, career medics and specialty team members, Fire, Police, emergency dispatchers, and hospital personnel. Keeps personnel certified, in compliance with State requirements, to work on ambulances and perform medical duties.

- **EMS Lifeguard Services** - Provides in-house lifeguard services to Sandbridge Beach, from Memorial Day weekend to Labor Day weekend 9:30 a.m. to 6:00 p.m. This service will consist of 11 lifeguard stands (8 at Little Island and 3 at the Market area) staffed with part-time lifeguards and lifeguard supervisors. Staffing and placement of these stands may vary to address weather, volume of visitors on the beach and condition of the surf.

Trends and Issues

- The department's expenditures are decreasing from $17.35 per capita in FY 2009-10 to $17.00 per capita in FY 2010-11 due to the funding reductions mentioned previously as well as efficiency savings. Also, a key driver in keeping costs extremely low despite increasing calls for services is the extensive use of 598 volunteers that staff 83% of the ambulances, as well as 353 volunteers that assist in other areas of the department, such as administrative support, Marine Rescue, Search and Rescue teams, etc.

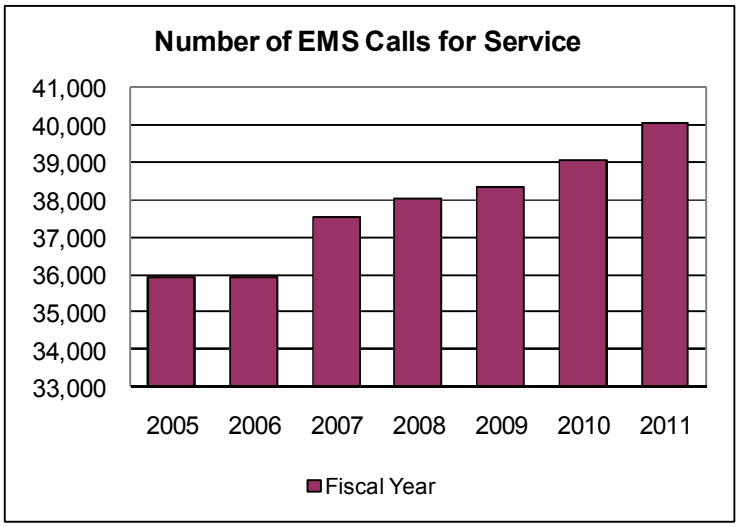


- The department's expenditures are comprised mainly of personnel costs for 62.55 FTEs (62.6% totaling $4.6 million), primarily for 37 career medics ($3 million). Only 37.4% ($2.8 million) of EMS' budget is for operating support costs for the volunteer rescue squads and career medics, such as training, fuel, vehicle radios and other equipment maintenance and repair, utilities for Volunteer Rescue Squad owned stations, risk management costs, etc. The resort area lifeguard service contract that covers service from the middle of May until the end of September totals $1,177,676 in FY 2010-11, and comprises 43% of operating costs and 16% of the department's budget.

- Efficiency savings of $14,353 will be achieved through the elimination of contracted manpower staff that maintains medical certifications of current medical providers and past providers over the past 7 years to comply with State Health Department regulations. During FY 2009-10, paper certification files are being converted to electronic data files. This efficiency improvement provides savings in excess of 10% of this year's budget reduction, and over the course of the 7 years lifespan requirement, will avoid over $100,471 of future costs.

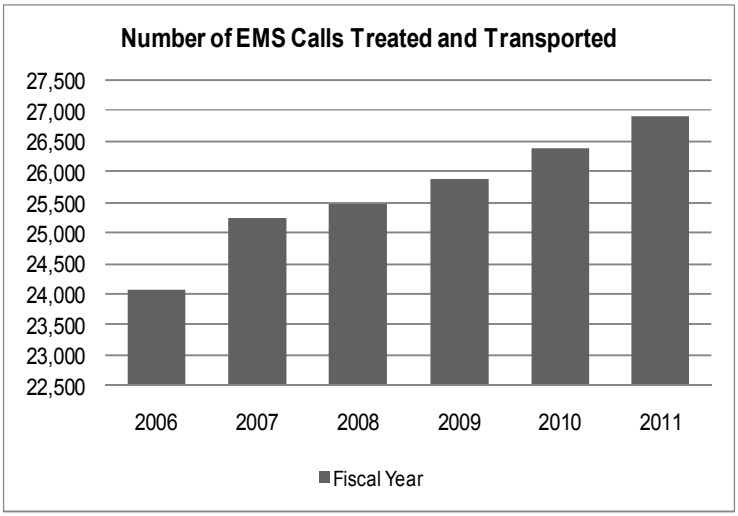
- The primary driver of EMS Department expenditures is the increase in citizen demand for services. Calls for service are anticipated to increase from 38,313 in FY 2008-09 to 40,049 in FY 2010-11. The average annual increase in the number of calls for service from FY 2004-05 through FY 2008-09 is 1.6%, with a difference in call volume from FY 2004-05 to FY 2008-09 of 6.7% or about 2,400 calls. By FY 2010-11, 26,919 of the total calls for service are anticipated to involve treatment and transport to one of the area's hospitals. As the City's population ages, the nature of these calls and treatment required will increase in complexity, which will increase the need for additional staffed ambulances.

- Attracting additional volunteers to join the rescue squads continues to be a priority for EMS. For FY 2010-11, EMS anticipates 900 applicants registered for the department's orientation program and plans on holding 74 recruitment events. In addition, a recent campaign held by the Volunteer Rescue Squads was successful in attracting 244 new volunteers to the City's emergency response system to address the increase in calls for service.



- The new Virginia Beach Department of Emergency Medical Services (EMS) Air Medical Unit was placed in service October 17, 2009, at the NAS Oceana Air Show after receiving an operations permit from the Virginia Department of Health/Office of Emergency Management. This new service will supplement Sentara's Nightingale helicopter service, and is provided through a partnership between the Virginia Beach Police Department and EMS. The EMS Air Medical Unit has outfitted the Police Department's new Bell 407 helicopter with specific equipment for medical evacuation (Medevac) flights through State Four for Life Funds and Federal Home and Security Grants. The crews are comprised of volunteer and career EMS Advanced Life Support providers who have attended more than 120 classroom and in-flight hours of safety and specialized patient care training. All Virginia Beach Police Department pilots completed the EMS Air Medical training and are approved to fly Medevac missions.

- EMS continues to be at the forefront of identifying and deploying new and improved medical treatments to ensure high quality pre-hospital medical care to patients. With the use of 12 lead defibrillators on the Volunteer Rescue Squad ambulances rather than the less capable 3 lead units, EMS providers can identify whether a patient is experiencing a heart attack (i.e., ST elevation myocardial infarction known as "STEMI") on-site, and provide direct transport to the cardiac catheterization lab for "balloon" treatment (i.e., percutaneous coronary intervention/coronary angioplasty) rather than first stopping at the emergency room for this initial diagnosis. Use of 12 lead defibrillators in the field reduces "door to door to balloon time" to less than 120 minutes, which is a significant reduction from the average of 146 minutes. This savings in time means significantly improved outcomes for patients' chances of survival. It also means returning ambulances to the field quicker to maintain adequate coverage in the City.



- In addition, EMS recently began deploying an innovative medical technique that induces mild hypothermia in patients experiencing cardiac arrest using chilled saline intravenous treatments. This medical intervention has shown to improve outcomes from the heart attack. EMS has just initiated a new medical treatment in the field called Therapeutic Hypothermia. This new treatment is shown to greatly improve long-term survival by minimizing neurological impairment typically encountered in the cardiac arrest patient. This treatment involves rapid, but controlled cooling of the post-arrest patient by introducing cold fluids intravenously and cold packs or ice to those areas of the body responsible for rapid temperature uptake.

Emergency Medical Services - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Administration	585,452	603,211	593,414	(9,797)
Operations	1,164,855	1,468,883	1,304,111	(164,772)
Emergency Response System	2,857,729	2,892,240	3,014,520	122,280
Training	517,201	565,475	549,828	(15,647)
Regulation and Enforcement	1,617,757	1,631,729	1,492,381	(139,348)
EMS Lifeguard Services	0	66,725	164,800	98,075
Total Expenditures	6,742,994	7,228,263	7,119,054	(109,209)
Revenues				
Administration	0	1,440	2,200	760
Operations	2,170	0	0	0
Total Revenues	2,170	1,440	2,200	760
General City Support	6,740,824	7,226,823	7,116,854	(109,969)
183 Grants Consolidated Fund				
Expenditures				
State Four-for-Life Grants	357,298	308,651	284,197	(24,454)
Total Expenditures	357,298	308,651	284,197	(24,454)
Revenues				
State Four-for-Life Grants	428,877	308,651	284,197	(24,454)
Total Revenues	428,877	308,651	284,197	(24,454)
General City Support	(71,579)	0	0	0
Total Department Expenditure	7,100,292	7,536,914	7,403,251	(133,663)
Total Department Revenue	431,047	310,091	286,397	(23,694)
Total General City Support	6,669,245	7,226,823	7,116,854	(109,969)

Position Summary by Program				
002 General Fund				
Administration	7.50	7.50	7.50	0.00
Operations	2.00	2.00	2.00	0.00
Emergency Response System	37.00	37.00	37.00	0.00
Training	7.00	7.00	7.00	0.00
Regulation and Enforcement	3.00	3.00	3.00	0.00
EMS Lifeguard Services	0.00	2.25	6.05	3.80
Total	56.50	58.75	62.55	3.80
Total Position Summary	56.50	58.75	62.55	3.80

Fire - Departmental Performance Report

Fire

The mission of the Virginia Beach Fire Department is to partner with communities, members, citizens and visitors to foster the feeling of safety any place, any time through planning, mitigation, response and restoration.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Advanced Life Support Emergency Medical Services						
Advanced Life Support Fire Units - Average Daily	#	10.0	12.8	14.2	15.0	17.0
Calls for Service - Emergency Medical Services	#	18,000.0	16,795.0	17,161.0	18,064.0	18,500.0
Citizen Satisfaction						
Fire Department Rating - Citizen Satisfaction Bi-Annual Survey	%	95.0	99.4	99.4	99.0	99.0
Fire Setter Counseling						
Fire Awareness Course for Teens (FACT) Program Attendees	#	40.0	53.0	37.0	45.0	45.0
Jr Firesetter Program Attendees	#	30.0	53.0	24.0	30.0	30.0
Reliability for Response						
Emergency Medical Services to Total Call Ratio	%	60.0	60.0	61.0	62.0	62.0
Reliability of First Due Availability	%	90.0	88.4	90.4	90.6	90.0
Response Time to Emergency Incidents						
Travel Time to Emergencies in Suburban Area < or = 5 Minutes	%	90.0	68.8	70.8	70.0	70.0
School Life Safety Education Program						
Life Safety Assembly Attendees	#	22,000.0	22,109.0	21,887.0	22,000.0	22,050.0
Financial						
Volunteers						
Community Emergency Response Team Membership	#	1,000.0	462.0	561.0	725.0	800.0
Volunteer Firefighter Membership	#	100.0	53.0	56.0	60.0	60.0
Internal Process						
Clearance Rate for Arson Cases						
Arson Cases Cleared	%	10.0	20.0	24.0	20.0	20.0
Initial Fire Inspections						
Fire Inspections Completed - All Types	#	17,000.0	9,728.0	8,986.0	8,700.0	8,000.0

Major Changes

In total, the Fire Department operating budget decreased by $391,093 with a reduction of 4.13 civilian FTEs in key programs as shown below. Comprising this reduction was a decrease of $537,596 from the general fund, and an increase of $146,503 from the State Fire Programs grant, which cannot be used to supplant local funding.

Change	Impact
Staffing was reduced by 1 FTE in the Fire Marshall's' Office for the Life Safety Education Program, which will reduce the 5 member program unit to 4 educators.	• The Life Safety Education Program provides 1,100 programs to approximately 177,000 persons including children, disabled persons and senior citizens. This program, wholly funded by the City, is part of the 4th grade Standards of Learning Program within the City of Virginia Beach Public School system. Without this position, this School program will be in jeopardy given the growing demand for this program. • There will be an inability to provide fire and life safety programs for the City's growing senior population. Compared with the State, Virginia Beach has a higher number of fire related senior deaths per 100,000 population (45 vs. 39 FY 2009-10) and injury per 100,000 population (1,480 vs. 1,320 for FY 2009-10). • In the past, use of volunteers to provide this service in FY 2009-10 was not feasible based on a comprehensive search conducted by Fire.
Staffing reduced by 1 FTE in the Fire Marshall's Office for the Community Emergency Response Team Program (CERT). The one dedicated position for the CERT Program administers approximately $48,000 in Federal grant funds, coordinates 625 trained volunteers that support community emergency preparedness efforts and provide basic emergency intervention, and conducts 7 CERT training classes annually.	• Existing staff in the department's emergency management and fire training areas will have to absorb this workload resulting in provision of only 1 CERT training class annually, and reduced effectiveness of fire training as well as emergency planning and response.
Staffing reduced by 1 FTE in the Fire Marshall's Office for the Fire Inspections Program.	• The loss of one Code Inspector means a loss of 700 inspections annually. This position recovers 57% of its annual cost through inspection fee revenue of $30,000. If not funded, reductions will occur in the number of inspectors (from 13 to 12) and annual fire inspections in commercial facilities for life safety issues and code violations (from 8,700 to 8,000, and from 40% of all occupancies inspected annually to 38%). • A recent audit by the City Auditor of the Fire Prevention Program found that the department is not providing annual comprehensive fire inspection coverage of commercial properties due to staffing shortages. Eliminating this position will further exacerbate this situation.
Staffing reduced by a part-time Storekeeper (0.88 FTE) in the Fire Marshall's Office for the Resource Management Unit.	• The department has found that it is more efficient and effective to have a dedicated part-time Storekeeper to provide equipment, supplies and mail delivery for all Fire facilities (19 distributed fire stations, training center, wellness center and fire administration). Two remaining Storekeepers in the Resource Management Unit will have to absorb this workload along with their other duties, which will reduce the unit's efficiency and effectiveness.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

About 96.4% of the department's costs are covered by the general fund, with 0.8% generated through department generated fines (e.g. hazardous materials dumping, false alarms), fire permits and fire inspections fees, and 2.8% through State Fire Programs and U.S. Department of Homeland Security Local Emergency Management Planning grants. As required by the State, Fire Programs funds are used for enhancements, including protective apparel, equipment, training, and fire training center improvements. The core services provided by the Fire Department fall under the following areas:

- **Fire Marshall's Office** – Comprised of 52.71 FTEs that provide various services, including executive direction and guidance as well as administrative support (payroll, human resources, budget and finance, procurement and inventory, etc.) for the department. A core service is administering the Fire Prevention Code, which includes: providing property inspections and requests, complaint management regarding code-related issues, and site plan review related to fire code issues. Based on past experience, the department anticipates in FY 2010-11, violations or hazards will be found in 50% of the inspections. Another key activity is investigating criminal/arson and non-criminal fires as well as hazardous material dumping. For FY 2010-11, the number of arson incidents is estimated at 125 with a case clearance rate of 20%. Also, the office provides 1,100 life safety education programs to approximately 177,000 residents.

- **Fire Operations** - Comprised of 399 FTEs distributed amongst 17 City owned and 2 volunteer owned fire stations and fire and rescue stations throughout the City to deliver comprehensive emergency services through a seamless and integrated emergency response system. Examples of services include: fire suppression, salvage and overhaul, emergency medical services, search and rescue, technical support services, hazardous materials response, and mutual aid to neighboring localities. Apparatus staffed include 20 engine companies, 7 ladder companies, and 2 heavy squads. One of the department's goals is to arrive on the scene of all emergency medical incidents within five minutes of the time of dispatch, where the fire response is closer in time and distance than an EMS volunteer ambulance. During FY 2010-11, the department anticipates achieving this goal in 46% of its calls for service. Another goal is to arrive on the scene of all fire incidents within five minutes of the time of dispatch. During FY 2010-11, the department anticipates achieving this goal in 39% of its calls for service. The Virginia Beach Fire Department has four specialized teams that serve the region and State: Tidewater Regional Technical Rescue Team, which is one of the seven Regional State Urban Search and Rescue Teams, Marine Firefighting (located at First Landing Fire Station #1), Hazardous Materials Response (located at London Bridge Fire Station #3), and Metro Medical Response System (located at Nimmo Fire Station # 21). It also has a Volunteer Support Technician Team.

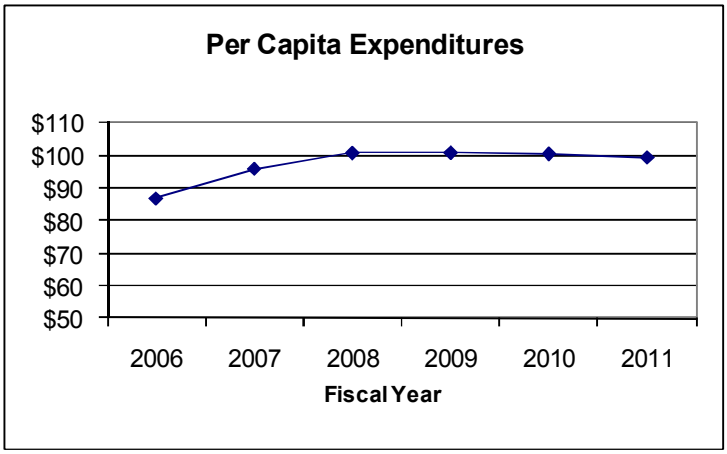
- **Emergency Management** – Three person office that coordinates citywide emergency planning including maintenance of the City's Emergency Operations Plan, maintenance and readiness of the City's Emergency Operations Center and mobile Emergency Operations Center. It fosters community awareness of natural and manmade emergencies, oversees the Community Emergency Response Team project involving 625 volunteers, and coordinates the City's response to emergencies. Annually, the department conducts four emergency management planning exercises in the City's Emergency Operations Center involving multiple City departments as well as members of the City Manager's executive staff.

- **Fire Training** - Provides mandated, career development, and organizational enhancement training programs meeting nationally recognized standards in the following areas: fire, rescue, life safety, management, driver operator, and any specialty training for volunteer and career firefighters. For FY 2010-11, the department anticipates 239,700 hours of training for all staff including 900 hours of instructional training. Training programs are held at the City's regional Fire and EMS Training Center on Birdneck Road, and are directed towards improving the efficiency of the Fire Department's operation, and reducing the frequency of fires, injuries and fire deaths, and property damage from fires.

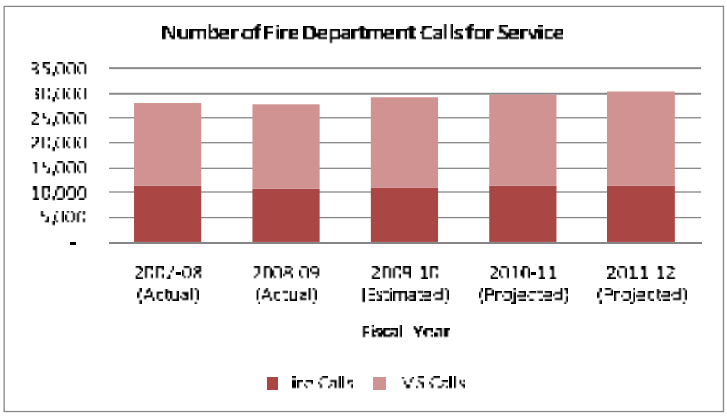
Trends and Issues

- The department's expenditures are decreasing from $100.68 per capita in FY 2009-10 to $99.56 per capita in FY 2010-11 due to elimination of personnel, retirements, reductions in support costs including personal protective gear, supplies, and telecommunications.

- According to the Virginia Auditor of Public Accounts, the per capita expenditures in other Hampton Roads localities in 2008 were significantly higher than Virginia Beach: Chesapeake $196.92, Hampton $166.64, Newport News $173.71, Norfolk $194.54, Portsmouth $244.53, Suffolk $197.13, Virginia Beach $100.94.

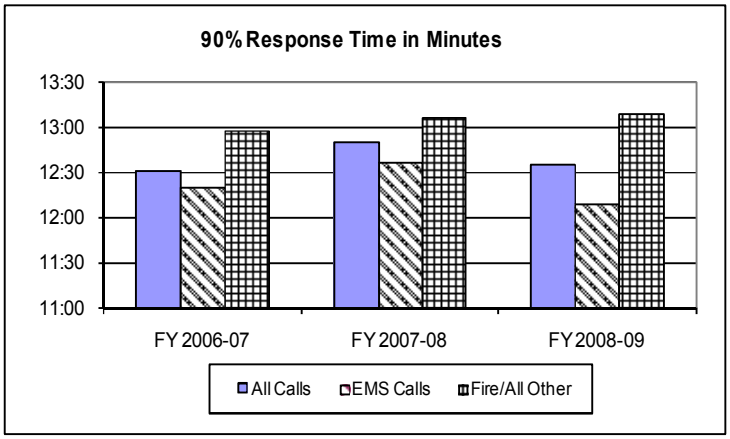


- The main driver of the Fire Department's budget is increased citizen demand for services. Calls for service continue to increase annually from 27,956 in FY 2008-09 to 29,240 in FY 2009-10 and 29,800 in FY 2010-11, with the higher increase being in emergency medical services calls. Included in these calls are 450 marine incidents, 220 hazardous materials incidents and 200 technical rescue incidents. Sixty-two percent of the total calls for service responded to by the Fire Department are emergency medical calls (18,500 anticipated for FY 2010-11).



- Efficiency savings of $10,022 will be achieved through elimination of one part-time civilian Code Inspector (0.25 FTE) and the distribution of related duties to existing fire investigations staff.

- One time savings are made in FY 2010-11 with the reduction of $188,399 in personal protective equipment and wearing apparel for firefighters, which will not have an adverse impact because the Fire Department replaced all turn-out gear in FY 2009-10 for risk management and safety reasons.



- This graph shows the Fire Department's response time to 90% of their calls (from the time a call is received in the Emergency Communications Center/"911 Center" until the first Fire unit arrives on-scene). For example, in FY 2008-09, the department responded to 90% of: all calls within 12:35 minutes, Fire calls within 13:09 minutes and EMS calls within 12:09 minutes. Emergency Medical Service (EMS) calls are medical incidents only, responded to by Fire Department personnel. Fire/all other calls include all fires (structure, vehicle, brush, etc), Hazmat, technical rescue incidents, miscellaneous, and non-emergency requests for assistance.

- Compared with other Hampton Roads localities, Virginia Beach has the lowest ratio of firefighters to population:

Locality	Uniform Personnel	Ratio per 1,000 Population (based on 2000 Census) data
Chesapeake	412	2.1
Hampton	257	1.8
Newport News	350	1.9
Norfolk	483	2.1
Portsmouth	233	2.3
Suffolk	201	3.2
Virginia Beach	**435**	**1.0**

- The Fire Department is one of 133 accredited fire departments in the nation and only one of 6 municipal fire departments accredited in the State.

- There continues to be an absence of a continuous funding stream to replace core capital equipment including thermal imaging cameras, self contained breathing apparatus, electrocardiogram monitors extrication and hazardous materials response equipment. The department estimates $336,500 would be needed on an annual basis to replace equipment on a 10-year cycle. Currently, the department must rely on State, Federal and private grants, which are available on an infrequent basis.

Council Amendment

On May 11, 2010, City Council voted to restore funding totaling $103,097 for two full-time positions; the Life Safety Education Specialist ($52,324) and the Administrative Specialist I that coordinates the CERT Program ($50,773).

Fire - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Fire Marshall's Office	4,633,942	4,787,125	4,692,605	(94,520)
Emergency Management	240,738	252,129	252,341	212
Fire Operations	35,946,406	36,566,031	36,336,517	(229,514)
Fire Training	959,105	1,122,149	1,011,472	(110,677)
Total Expenditures	41,780,191	42,727,434	42,292,935	(434,499)
Revenues				
Fire Marshall's Office	306,637	482,045	330,045	(152,000)
Emergency Management	0	0	52,000	52,000
Fire Operations	114,721	0	0	0
Fire Training	200	0	0	0
Total Revenues	421,558	482,045	382,045	(100,000)
General City Support	41,358,633	42,245,389	41,910,890	(334,499)
183 Grants Consolidated Fund				
Expenditures				
Fire Program Grants	352,677	610,757	757,260	146,503
Transfer to Other Fund (Fire Programs)	400,000	400,000	400,000	0
Total Expenditures	752,677	1,010,757	1,157,260	146,503
Revenues				
Fire Program Grants	1,159,860	1,002,238	757,260	(244,978)
Reserve for Contingencies	0	8,519	0	(8,519)
Transfer to Other Fund (Fire Programs)	0	0	400,000	400,000
Total Revenues	1,159,860	1,010,757	1,157,260	146,503
General City Support	(407,183)	0	0	0
Total Department Expenditure	42,532,868	43,738,191	43,450,195	(287,996)
Total Department Revenue	1,581,418	1,492,802	1,539,305	46,503
Total General City Support	40,951,450	42,245,389	41,910,890	(334,499)

Position Summary by Program				
002 General Fund				
Fire Marshall's Office	55.84	54.84	54.71	-0.13
Emergency Management	3.00	3.00	3.00	0.00
Fire Operations	400.00	400.00	399.00	-1.00
Fire Training	10.00	10.00	9.00	-1.00
Total	468.84	467.84	465.71	-2.13
183 Grants Consolidated Fund				
Fire Program Grants	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00
Total Position Summary	469.84	468.84	466.71	-2.13

Police - Departmental Performance Report

Police

The Mission of the Virginia Beach Police Department is to remain committed to providing a safe community and improving the quality of life for all people. This is accomplished by delivering quality police services and enforcing laws with equity and impartiality. In partnership with the community, the Department reduces crime through public education, prevention, and awareness. In meeting this objective, the Police Department demands of its officers the highest professional standards and dedication to core values.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Community						
Assist Schools with Security/Enforcement of Laws						
Middle and High School with Full Time School Resource Officers	#	30.0	30.0	30.0	30.0	30.0
School Safety Survey	#	90.0	88.2	0.0	0.0	88.2
Students Participating in Crime Prevention Programs	#	18,000.0	18,628.0	18,083.0	18,000.0	18,000.0
Maintain Low Part I Property Crimes						
Part I Property Crime Clearance Rate	%	26.0	25.9	26.3	26.0	25.0
Part I Property Crimes Rate	%	30.0	30.0	29.0	30.0	31.0
Maintain Low Part I Violent Crime Rate						
Part I Violent Crime Clearance Rate	%	60.0	57.8	59.7	60.0	56.0
Part I Violent Crime Rate	%	2.0	2.0	3.0	2.0	2.0
Maintain the safety of the City's roadways						
School Zone Violations by Motor Officers	#	650.0	603.0	755.0	400.0	350.0
Traffic Safety Unit Violations Issued	#	12,000.0	10,000.0	11,659.0	10,000.0	8,400.0
Maintain Timely Response for Emergency Calls						
Average Police Response Time to Emergency Calls	#	6.0	6.3	6.3	6.3	6.4
Uniform Patrol Emergency Calls for Service	#	17,000.0	14,534.0	17,805.0	17,000.0	17,500.0
Maintain Timely Response to Non Emergency Calls						
Average Police Response Time to Non Emergency Calls	#	15.0	15.4	15.4	15.4	15.8
Uniform Patrol Non Emergency Calls for Service	#	150,000.0	154,932.0	152,438.0	148,000.0	149,000.0
Reduce Crime, the Fear of Crime, and Improve Safety						
Crowd Management Incidents Handled	#	450.0	330.0	463.0	400.0	300.0
Mounted Patrol Arrests and Summonses	#	700.0	545.0	730.0	700.0	700.0
Narcotics Cases Worked	#	300.0	312.0	255.0	225.0	205.0
Number of neighborhood watch communities	#	250.0	116.0	210.0	210.0	150.0
PIO News Releases, Interviews	#	450.0	425.0	450.0	450.0	325.0
Prostitution and Vice Arrests	#	200.0	154.0	206.0	190.0	145.0
VB is a Safe Place to Live	%	96.0	92.8	0.0	0.0	91.0
Internal Process						
Reduce Sworn Turnover Rate						
Percent of Sworn Positions Vacant	%	1.0	2.0	2.0	3.0	1.0
Sworn Turnover Rate	#	4.5	7.1	6.5	6.5	7.0

Major Changes

In total, the Police Department's budget for FY 2010-11 is $85,507,896. Overall, there has been a reduction of $2,253,980 or -3% and a decrease of 23.2 FTE. The Police Department is reassigning the occupant of sworn positions that are being proposed for elimination and will be eliminating vacancies.

Change	Impact
Elimination of Motorcycle Traffic Unit Officer (1 FTE) • This unit's primary responsibility is enforcing traffic laws and working traffic crashes. This unit also provides escorts and responds to all types of calls for service.	• The impact of eliminating this position will result in 1,751 fewer traffic violations in FY 2010-11, including 755 speed violations in school zones.
Elimination of Motor Traffic Safety Unit Officers (2 FTEs) • This unit's primary responsibility is enforcing traffic laws and working traffic crashes. This unit also provides escorts and responds to all other types of calls for service.	• Based on past activity, the impact of not funding these two Police Officer positions will result in 2,850 fewer moving and non moving traffic summonses per year, 150 fewer DUI arrests, and 750 fewer speeding citations.
Reduction of Mounted Patrol Officers (7 FTEs) • The primary responsibility of the Mounted Patrol Unit is to provide high visibility patrol and crowd control management for areas where large numbers of people gather.	• The impact of reducing these seven Police Officers from this unit would result in the inability to provide seven day per week coverage at the oceanfront during the summer months, suspension of Central Business District patrols, limited patrols in problem neighborhoods, and high school football games. • Reduced capacity to handle multiple events and respond to only 225 or 50% of crowd control incidents per year.
Elimination of Crime Prevention Officers (6 FTEs) • The Crime Prevention office provides coordinated crime prevention services throughout the department. • The following Crime Prevention programs will continue in FY 2010-11: Citizens Police Academy, Citizens Police Academy Alumni Association, Crime Prevention Steering Committee representation, Virginia Crime Prevention Association participation, Explorer Post 911.	• Student participation in these programs will be reduced by 50% resulting in only 9,000 participants. • The following programs will be terminated: Business Watch Program, Places of Worship Watch, Project Lifesaver, Citizens Advisory Committee, July 4th Mount Trashmore Display, McGruff the Crime Dog, Every 15 Minutes, self defense workshops, Virginia Rules Program, College Intern Program, Youth Academy, Senior Citizens' Police Academy, Comp Stat Crime Review, Drive Smart Hampton Roads, Citizens' Corp, Operation Lookout Program, Resort Advisory Commission participation, Police Auxiliary Volunteer Program, Crime Prevention Podcasts, CAC meeting attendance, Neighborhood Watch Program-Citywide, Annual National Night Out, Hampton Roads Crime Prevention representation, Virginia Crime Prevention Association participation.
Elimination of Public Information Officer (1 FTE) • The Police Department Public Information Office is responsible for the coordination of all media and public inquiries, issues related to public relations, community support and acts as interagency liaison for the Police Department.	• Elimination of this position will result in approximately one-third or 150 fewer news releases, information briefs, and on camera interviews for the Police Department. Workload will be redistributed among the remaining two Public Information Officers in the Police Department.
Elimination of Police Detectives (6 FTEs) in Special Investigations and the Detective Bureau.	• The impact of not funding these positions will result in fewer arrests and case clearances related to property crimes, prostitution, and sale of drugs.
Addition of Part-Time Police Background Investigator (0.8 FTE). • To assist current staff in the processing of Red Light violations.	• It has been found that the existing workforce cannot process all violations within the required 10 day statute of limitation timeline. • This increase is funded by the revenue from the program.

Change	Impact
Elimination of one Office Assistant (1 FTE) in the Detective Bureau Office • This position is responsible for entering data from Police Officer's reports into the Police Department's records management system.	• The reduction of this position will cause some delay in the entry of these investigative reports.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The Police Department is divided into the following major categories:

- **Uniform Patrol** - Includes basic patrol, initial response to criminal incidents, calls for service, traffic control and enforcement.

- **Administration** – Includes the Chief's Office, Professional Standards, and Public Information Office.

- **Mounted Patrol** - Includes officers on horseback who patrol heavily crowded areas such as the summertime oceanfront patrol, Town Center, high school football games, special events such as 4th of July and Neptune Festival.

- **Bureau of Animal Control** - This bureau, which includes enforcement and shelter management, works to balance health, safety and welfare needs of the people and animals in our City.

- **Detective Bureau** - This bureau investigates most crimes in the City, including homicides, rapes, robberies, assaults, burglaries, larcenies, auto thefts, and other property crimes.

- **Special Operations** - This bureau supports department wide operations and neighboring jurisdictions with S.W.A.T., crisis negotiators, K-9 unit, helicopter unit, dive team, marine patrol, bomb squad, selective enforcement team, mounted patrol, and others.

- **Special Investigations** - This bureau has several units including the Criminal Intelligence Unit (including gangs), the Narcotics Unit, the Vice Squad and the Computer Crimes Unit.

- **Support Division** - This division is staffed by mostly civilians and is responsible for maintaining police records, property and evidence storage, uniform and supply issue, department payroll, entering data into local, State, and national systems, red light camera and false alarm programs, purchasing/budget, statistical analysis, and special projects

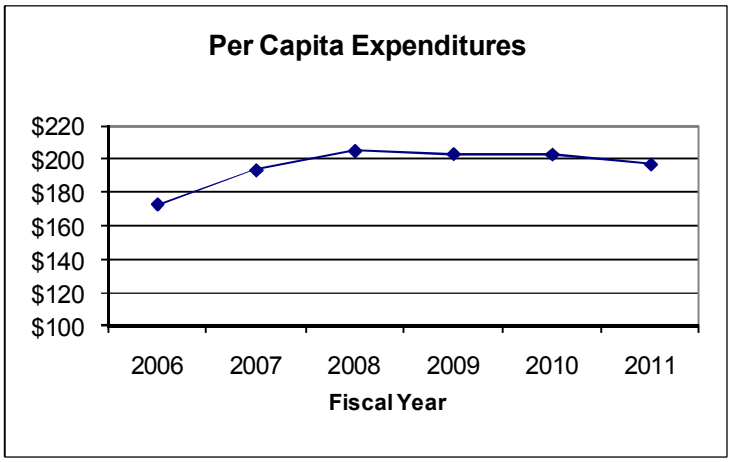
Trends and Issues

- The City of Virginia Beach continues to be considered one of the safest cities in the nation according to FBI statistics. Over the last fifteen years, the Police Department has added over 160 officers through the use of Federal COPS grants. These officers have been involved in several proactive policing initiatives such as community policing, school resource officers, domestic violence investigators, crime prevention programs, and DUI enforcement. Although grant funding for these positions ended, the positions have remained in place to ensure that the City of Virginia Beach is a safe community

- The City of Virginia Beach Police Department has experienced a high number of sworn officer turnover rates in the past. To combat this trend, the Police Department has developed a strategic focus aimed to "improve retention to reduce employee turnover". Their efforts have shown positive results as the Police Department has seen a declining percentage in their sworn officer turnover rate in the last four years. In FY 2006-07 the department had a turnover rate of 9.7%. This rate dropped to 7.1% in FY 2007-08 and dropped again in FY 2008-09 to 6.5%. In FY 2009-10 the Police Department has maintained a sworn officer average of 37 vacancies. This average vacancy rate was primarily due to cancelling the February 2009 recruit academy. There were 56 sworn vacancies (and growing) in the Police Department as of January 2010; however, in March 2010, the Police Department was granted permission to begin an academy for

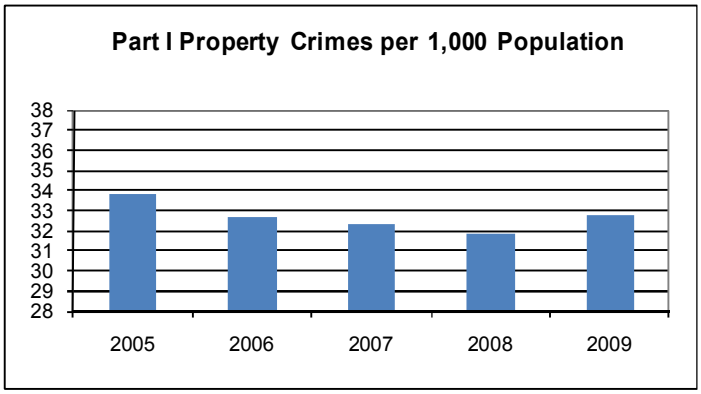
25 Police Officer Recruits. Even with those positions filled, there were 34 sworn vacancies as of March 1, 2010. The department expects to lose at least a few more officers prior to July 1 due to retirements and resignations. Of these vacancies, 23.2 have been targeted for elimination in the FY 2010-11.

- Per capita expenditures for the Police Department have continued to decline from the peak in 2008. Personnel costs have been the biggest cost driver for the Police Department's budget in previous years with nearly 86% of the department's total budget in personnel costs. For example, in FY 2007-08 there was an increased Virginia Retirement System Multiplier for uniform public safety positions that City Council approved. Additionally, there was an increase in per capita expenditures as a result of the City absorbing the full cost associated with Police Officers that were hired through COPS grants. Understanding the main departmental cost driver and the need to reduce expenditures, the Police Department has reduced their budget programmatically in FY 2010-11. These programmatic reductions are made primarily to special operation units within the Police Department and have focused on vacancies. These have been targeted for reduction in an effort to best maintain delivery of core service and have the least amount of negative impact on the citizenry.



- Animal Control is expanding the services offered in FY 2010-11. The Animal Control Shelter is increasing their adoption fees for both dogs and cats. The increase in adoption fees will allow for the shelter to provide heartworm tests for dogs, leukemia tests for felines and spay and neutering for all animals leaving the shelter. Spay and neutering services are to be provided through a contractual agreement with a veterinarian.

- Efficiency savings of $19,960 will be achieved through the elimination of the "Cop Shop". This was a store within the Police Department that sold City of Virginia Beach Police Department paraphernalia. The materials, associated costs, and manpower to run this shop have all been eliminated in the FY 2010-11 budget.



- Part I Violent Crimes include homicide, rape, robbery and aggravated assault. Recently the number of violent crimes per 1,000 residents has been overall trending down (2.8 in 2005; 2.9 in 2006; 2.6 in 2007; 2.4 in 2008; and 2.1 in 2009). While this has been a nationwide trend, Virginia Beach's violent crime rate has remained far below that of most comparable sized cities. While the overall trend has been down for violent crimes, the Part I Property Crime rate recently increased by 1% in calendar year 2009.

- During FY 2009 10, Emergency Medical Services outfitted the Police Department's helicopter with specific equipment for Medevac flights. Although significant increase in flight hours are not anticipated, should demand for Medivac flights increase in the future, there could be an increase in the costs associated with the helicopter in the Police Department's budget.

Fee Increase Schedule

Name of Fee	Current Amount	FY 2011 Proposed Amount	Date of Last Increase
Taxicab Drivers Permit and Registration Fee	$10.00	$100.00	08/27/91
Second Hand Dealer and Pawnbroker Permit	$25.00	$100.00	01/09/96
Precious Metal Permits	$200.00	$300.00	06/27/95
Animal Adoption Fees • Dogs • Cats Spay/Neuter • Dogs • Cats	 $25.00 $20.00	 $50.00 $40.00 $100.00 $40.00	03/24/09

Council Amendment

On May 11, 2010, City Council voted to amend the City Manager's Proposed FY 2010-11 Budget to include the full restoration of the Crime Prevention Unit (6 FTEs) and the full restoration of the Mounted Patrol Unit (7 FTEs). Additionally, City Council voted to amend the fee increases included in the Proposed FY 2010-11 Budget to the following:

Name of Fee	FY 2011 Proposed Amount	FY 2011 Adopted Amount
Taxicab Drivers Permit and Registration Fee	$100.00 every year	$50.00 every 2 years
Taxicab Inspection Fee	-	$50.00 every year
Animal Adoption Fees (no increase as compared to current rate) • Dogs • Cats	 $50.00 $40.00	 $25.00 $20.00

Police - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Director's Office	1,655,976	1,681,838	1,671,361	(10,477)
False Alarms	20,385	78,620	77,870	(750)
Personnel and Training	3,789,713	3,884,932	3,908,398	23,466
Crime Prevention	725,408	734,253	857,468	123,215
Support	3,820,289	4,294,595	4,288,146	(6,449)
K-9 Unit	1,596,014	1,575,068	1,573,596	(1,472)
Helicopter Unit	1,099,423	1,171,257	1,416,446	245,189
Uniform Patrol	47,318,102	48,055,314	46,803,436	(1,251,878)
Red Light Camera Program	55,503	1,278,605	1,174,563	(104,042)
Mounted Patrol	1,336,190	1,376,642	1,451,808	75,166
Marine Patrol	834,873	931,445	925,574	(5,871)
School Resource Officer Program	2,371,041	2,460,249	2,404,989	(55,260)
Investigative Division	12,039,294	12,188,460	12,085,924	(102,536)
Special Investigative Unit	4,614,382	4,726,740	4,517,062	(209,678)
Commercial Extraditions	547,224	678,544	854,425	175,881
Animal Control	2,155,213	2,508,991	2,620,253	111,262
Police Store	334	19,960	0	(19,960)
Total Expenditures	83,979,364	87,645,513	86,631,319	(1,014,194)
Revenues				
False Alarms	24,705	230,484	230,484	0
Personnel and Training	6,936	0	0	0
Support	414,644	169,597	266,104	96,507
K-9 Unit	3,460	0	0	0
Uniform Patrol	43,097	0	0	0
Red Light Camera Program	0	1,955,070	2,166,500	211,430
Commercial Extraditions	374,901	680,000	657,900	(22,100)
Animal Control	583,315	621,932	726,813	104,881
Police Store	415	7,500	0	(7,500)
Total Revenues	1,451,473	3,664,583	4,047,801	383,218
General City Support	82,527,891	83,980,930	82,583,518	(1,397,412)
142 DEA Seized Property Special Revenue Fund				
Expenditures				
DEA - Uniform Patrol Grants	43,250	0	0	0
DEA - Personnel and Training	53,732	0	0	0
DEA - Support	94,906	0	0	0
DEA - K-9	26,000	0	0	0
DEA - Uniform Patrol	406,965	0	0	0
DEA - Investigative	14,286	0	0	0
DEA - Special Investigative Unit	33,381	0	0	0
Transfer to Other Funds	108,513	45,500	0	(45,500)
Total Expenditures	781,033	45,500	0	(45,500)
Revenues				
DEA - Oceanfront Closed Circuit TV System	781,033	0	0	0
Transfer to Other Funds	0	45,500	0	(45,500)
Total Revenues	781,033	45,500	0	(45,500)
General City Support	0	0	0	0

Police - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
183 Grants Consolidated Fund				
Expenditures				
Police - Uniform Patrol Grants	37,463	71,271	71,521	250
Reserve for Contingencies	0	1,592	0	(1,592)
Total Expenditures	37,463	72,863	71,521	(1,342)
Revenues				
Police - Uniform Patrol Grants	54,005	72,863	71,521	(1,342)
Total Revenues	54,005	72,863	71,521	(1,342)
General City Support	(16,542)	0	0	0
Total Department Expenditure	84,797,860	87,763,876	86,702,840	(1,061,036)
Total Department Revenue	2,286,511	3,782,946	4,119,322	336,376
Total General City Support	82,511,349	83,980,930	82,583,518	(1,397,412)

Position Summary by Program				
002 General Fund				
Director's Office	16.80	16.80	16.80	0.00
False Alarms	1.75	1.75	1.75	0.00
Personnel and Training	30.72	31.72	31.72	0.00
Crime Prevention	8.00	7.00	8.00	1.00
Support	55.00	58.00	58.00	0.00
K-9 Unit	16.00	16.00	16.00	0.00
Helicopter Unit	5.00	5.00	8.00	3.00
Uniform Patrol	575.53	573.53	565.53	-8.00
Red Light Camera Program	1.60	1.60	2.40	0.80
Mounted Patrol	16.00	16.00	16.00	0.00
Marine Patrol	10.46	10.46	10.46	0.00
School Resource Officer Program	30.00	30.00	30.00	0.00
Investigative Division	147.00	146.00	143.00	-3.00
Special Investigative Unit	57.00	56.00	52.00	-4.00
Animal Control	35.00	35.00	35.00	0.00
Total	1,005.86	1,004.86	994.66	-10.20
183 Grants Consolidated Fund				
Police - Uniform Patrol Grants	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00
Total Position Summary	1,006.86	1,005.86	995.66	-10.20

Sheriff and Corrections - Departmental Performance Report

Sheriff and Corrections

The mission of the Sheriff's Department is assuming responsibility for the care and custody of persons placed in the Virginia Beach Correctional Center by the Courts. This includes the initial booking of the individual, providing food and medical care during their incarceration, and access to educational and work opportunities. This Department is also responsible for courtroom security and serving civil documents. In addition, the Department also works with elementary School children to teach them how to avoid many of the problems associated with drug use. The Department is dedicated to the efficient and effective provision of Sheriff's services to our community. The commitment of the Department focuses on competent, expeditious, and courteous services that enhance citizen safety while providing value for their tax dollar. For example, the Sheriff's Work Force saves the citizens thousands of dollars each year by providing services that would otherwise have been paid for through tax revenues.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Maintain Incarceration Facilities to House Inmates						
Cost per Inmate per Day	$	62	59	60	62	63
Inmate Population	#	1,277.0	1,606.0	1,536.0	1,375.0	1,450.0
Inmates over State Department of Corrections Certified Capacity	#	581.0	704.0	634.0	473.0	548.0
Safety/Security for Judiciary and Public						
Number of Persons Screened for Release	#	29,000.0	28,242.0	29,090.0	30,648.0	31,261.0
Services to Community through Inmate Labor						
Estimated Dollar Value of Inmate Time	$	530,000	592,955	554,938	530,450	530,450

Major Changes

In total, the Department of Sheriff and Corrections increased $447,912 between FY 2009-10 and FY 2010-11. The budget for this department was prepared based on the latest information available at the time regarding the State budget. It will be adjusted once the State budget is finalized, including the adjustments discussed with City Council prior to adoption.

Change	Impact
Fund Balance Usage	• The Sheriff's Department anticipates using $3,567,258 in fund balance from its Special Revenue Fund and Inmate Services Fund to offset State revenue reductions, support a previous pay raise advanced by the department from December 2008 to July 2008 which was later unfunded by the State budget, provide funding for a Courthouse Security Camera grant match, and fund the D.A.R.E Program. It is important to note that the use of fund balance to support ongoing costs such as salaries and offsetting State reductions in funding is a short term revenue solution. If State revenues do not recover in the future, other options will need to be considered other than using fund balance. For example, the department plans to discuss the possibility of contracting with surrounding localities to take their prisoners contractually which could generate an additional $1 to $2 million annually. Additionally, City Council adopted a non supplanting policy that prevents the shifting of State financial responsibilities to the City unless services are severely affected by reductions.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The Sheriff's Department is funded through a combination of State, Local and Federal revenues. State and Federal revenues are tied to the number of inmates. Local funds are provided for Central Booking and overall jail support. The services provided by the Department of Sheriff and Corrections are divided into two primary divisions:

The Community Services Division includes:

- **Administration** - Provides personnel, training and financial administration for the Department as well as program development.
- **Court Support** - Provides security and order in the various Virginia Beach Courts, and processes and serves civil documents.
- **Work Force Services** - Utilizes inmate labor to provide various services to the community at little cost, while providing inmates with the opportunity for skill and self development.
- **Drug Abuse and Resistance Education (D.A.R.E.) Program** – Provides drug education, stranger danger, and gun safety instruction by deputies to students.

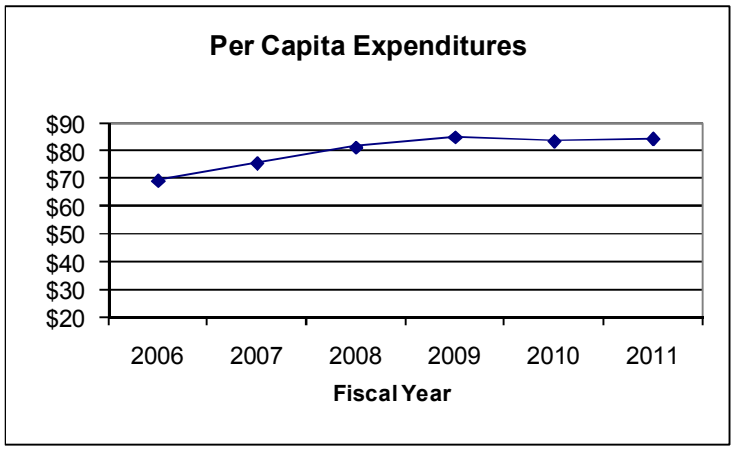
The Correctional Services Division includes:

- **Correctional Operations** - Provides for the care and custody of persons placed in the Virginia Beach Correctional Center. The functions include safety and security, providing food and medical care during incarceration, and access to educational and work opportunities
- **Central Booking** - Processes all arrestees for all law enforcement agencies utilizing the Virginia Beach Correctional Center. This involves fingerprinting and photographing of each arrestee. This is a contract between the City and department and is 100% locally funded.

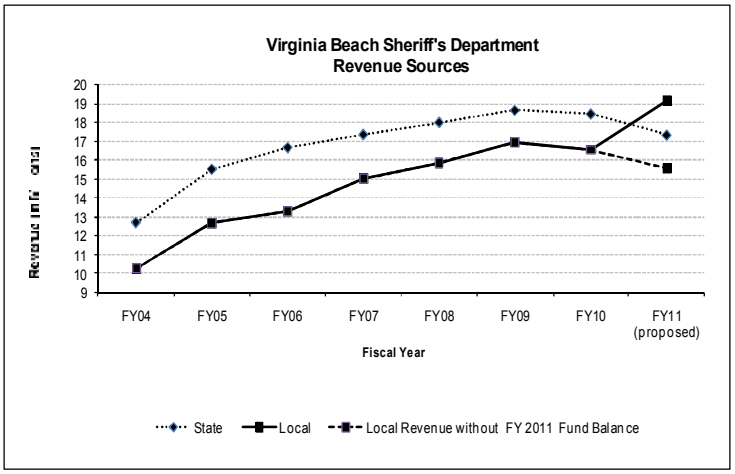
- **Inmate Services** - Provides additional services to inmates financed by inmate fees. These services include GED classes, substance abuse counseling, and provision of Alcoholics and Narcotics Anonymous.

Trends and Issues

- As the per capita expenditure graph indicates, the Sheriff's Department expenditures have increased between FY 2005-06 and FY 2008-09. The large increases other than personnel costs between FY 2005-06 and FY 2008-09 are related to increased costs to provide food and medical care to inmates and additional State positions for security. The decline in FY 2009-10 is due to a one-time use of fund balance in the previous fiscal year to purchase equipment and supplies. In FY 2010-11, departmental expenditures increase slightly due to the use of fund balance and funding provided to support a Courthouse Security grant.



- State revenue continues to remain the largest proportion of funding provided to support the Sheriff's Department. Federal revenue is based solely on the number of Federal prisoners per day which is less than 1% of total revenue for the department.



- Local revenue includes City supplements to entry level Sheriff Deputy salaries at two pay ranges below an entry level Police Officer as well as providing funding for medical and food to inmates. The City also contracts with the department to operate the Central Booking Program and various inmate services for mowing and maintenance. Local revenue is 53% of the total revenue in FY 2010-11 (including fund balance usage). The Sheriff's Department collects over $3 million in local revenue for fees generated through programs such as work force services, inmate telephone fees and court security.

- During FY 2009-10, the Sheriff's Department discontinued the Electronic Home Monitoring Program which allowed individuals to be "incarcerated" at their home using electronic home monitoring technology. The program reduction will result in less revenue; however, the overall savings realized by terminating the program exceeds the loss in revenue. An associated deputy position was transferred to the Correctional Operations area of the department and revenue was reduced by approximately $100,000.

Council Amendment

On May 11, 2010, City Council voted to restore $276,301 to the Sheriff's Department supported by funding from the State Compensation Board.

Sheriff and Corrections - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
149 Sheriff's Department Special Revenue Fund				
Expenditures				
Sheriff's Office	2,148,690	1,750,101	2,051,430	301,329
Court Support Services	3,191,268	3,262,299	3,075,259	(187,040)
Correctional Operations	25,750,849	26,385,155	26,732,928	347,773
Work Release Facility	151,739	134,121	0	(134,121)
Centralized Booking	1,879,256	2,031,662	1,958,626	(73,036)
D.A.R.E. - Sheriff	584,877	682,151	707,608	25,457
Sheriff's Workforce	925,513	940,518	898,888	(41,630)
Law Enforcement Training	107,804	139,566	141,182	1,616
Reserve for Contingencies	0	0	300,000	300,000
Transfer to Other Funds	161,962	0	0	0
Total Expenditures	34,901,958	35,325,573	35,865,921	540,348
Revenues				
Sheriff's Office	13,241,171	13,296,953	15,478,072	2,181,119
Court Support Services	1,454,001	1,096,908	1,334,608	237,700
Correctional Operations	19,844,588	19,962,502	18,115,791	(1,846,711)
Work Release Facility	122,804	81,760	0	(81,760)
Sheriff's Workforce	555,699	530,450	530,450	0
Law Enforcement Training	429,848	357,000	407,000	50,000
Total Revenues	35,648,111	35,325,573	35,865,921	540,348
General City Support	(746,153)	0	0	0
150 Inmate Services Special Revenue Fund				
Expenditures				
Inmate Services	591,613	668,608	854,024	185,416
Reserve for Contingencies	0	1,551	0	(1,551)
Transfer to Other Funds	274,551	274,551	274,551	0
Total Expenditures	866,164	944,710	1,128,575	183,865
Revenues				
Inmate Services	875,787	944,710	1,128,575	183,865
Total Revenues	875,787	944,710	1,128,575	183,865
General City Support	(9,623)	0	0	0
Total Department Expenditure	35,768,122	36,270,283	36,994,496	724,213
Total Department Revenue	36,523,898	36,270,283	36,994,496	724,213
Total General City Support	(755,776)	0	0	0

Position Summary by Program				
149 Sheriff's Department Special Revenue Fund				
Sheriff's Office	23.43	23.43	23.43	0.00
Court Support Services	63.84	63.84	61.84	-2.00
Correctional Operations	362.60	362.60	362.60	0.00
Work Release Facility	1.00	1.00	0.00	-1.00
Centralized Booking	37.00	37.00	37.00	0.00
D.A.R.E. - Sheriff	11.00	11.00	11.00	0.00
Sheriff's Workforce	13.00	13.00	13.00	0.00
Law Enforcement Training	1.00	1.00	1.00	0.00

Sheriff and Corrections - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Total	512.87	512.87	509.87	-3.00
150 Inmate Services Special Revenue Fund				
Inmate Services	11.50	11.50	14.50	3.00
Total	11.50	11.50	14.50	3.00
Total Position Summary	524.37	524.37	524.37	0.00

Resource Summary Notes

3.0 FTE's were transferred from the Sheriff's Special Revenue Fund to the Inmate Services Fund to align operations of the department.

Planning - Departmental Performance Report

Planning

The Mission of the Department of Planning is to ensure the economic, social and physical quality of the community by: ensuring that the department is, and stays aligned with Council's destination points; providing effective planning assistance and support to the City Council, City Manager and various Boards and Commissions; formulating a comprehensive plan for the orderly development and regeneration of the City with our citizens and through teamwork with other agencies; preserving the City's outstanding environmental resources; and providing quality customer service in the plan review, inspection, code enforcement, and administration process.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Community						
Board of Zoning Appeals						
Number of BZA Items Heard Yearly	#	136.0	244.0	180.0	136.0	136.0
Chesapeake Bay Preservation Board						
Number of CBPA Items Heard Yearly	#	75.0	139.0	126.0	75.0	75.0
Development Services Center Permits Issued Yearly						
Erosion/Sediment Control, Right-of-Way Permits Issued Yearly	#	111.0	222.0	145.0	111.0	111.0
Enforce and Administer City Building Code						
Number of daily inspections per inspector	#	15.0	17.0	17.0	18.0	18.0
Number of P & I Permits Issued Yearly	#	28,680.0	30,119.0	28,442.0	28,680.0	28,680.0
P & I Inspections Yearly	#	127,935.0	135,857.0	132,738.0	127,935.0	127,935.0
Enforce and administer City Zoning Ordinance						
Number of Current Planning Inspections Yearly	#	38,868.0	33,312.0	34,611.0	38,868.0	38,868.0
Number of Current Planning Permits Issued Yearly	#	1,768.0	1,816.0	1,529.0	1,768.0	1,768.0
Planning Commission/City Council Planning Items						
Number of PC/CC Applications Heard Yearly	#	189.0	396.0	472.0	189.0	189.0
Waterfront Plan Review Joint Permit Applications						
Number of Joint Permit Applications Yearly	#	189.0	249.0	213.0	189.0	189.0
Wetlands Board Applications Heard Yearly						
Number of Wetlands Board Applications Heard Yearly	#	78.0	78.0	45.0	78.0	78.0

Major Changes

In total, the Department of Planning has budgeted $13,378,331 for FY 2010-11. This is a reduction of $570,138 or 4.1% in expenditures and a net reduction of 10 FTEs compared to the FY 2009-10 budget.

Change	Impact
To address the decrease in funding and staffing, the Department of Planning will be implementing a reorganization plan to mitigate the impact of losing the following staff; however, some service reductions are unavoidable. • Coastal Zone Administrator (1 FTE) • Planning Aide (1 FTE) • Planning Technicians (2 FTEs) • Code Inspectors (2 FTEs) • Engineer (1 FTE) • Planner (1 FTE) • Code Inspector Supervisor (1 FTE) • Planning Aide (1 FTE) • Clerk III (1 FTE)	• Reduces the department's ability to respond to increases in development activity. • Reduces the department's ability to respond to natural disasters such as the "2009 November Nor'easter". • Reduces the department's capacity for research and responses to information requests. • The department will absorb these position's workloads through managed reduction in force effort. • The impact of eliminating these positions will be increased telephone wait times and requiring professional staff to perform these positions' administrative duties • Planning Commission verbatim minutes will be replaced with summary minutes and digital recordings.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The Planning Department is responsible for a multitude of tasks that ensure Virginia Beach is a Quality Physical Environment. These responsibilities are divided up into the following seven areas:

- **Comprehensive Planning** – Prepares, maintains, coordinates, and administers the City of Virginia Beach's Comprehensive Plan. The Comprehensive Plan is the City Council's statement regarding how the physical development of the City should be directed in future years.

- **Current Planning** – Provides staffing support for planning items that go to City Council, Planning Commission, Wetlands Board, Board of Zoning Appeals, Chesapeake Bay Preservation Area Board, and Historic Review Board. Current Planning members work with the public on all phases of the application process and coordinate applications to the appropriate board. The current Planning staff is also responsible for the interpretation and enforcement of the Zoning Ordinance, Chesapeake Bay Preservation Area Ordinance, Southern Watershed Management, permit to construct, alter or repair landing, docks and similar structures, and permits for dredging, filling, etc. in waters, marshlands and lowlands.

- **Development Services** - Reviews and approves various plans including those for commercial sites, subdivision construction, preliminary subdivision plats, land management plans for septic systems in poorly drained soils, and Chesapeake Bay Preservation Area single family site plans.

- **Building Permits and Inspections** - Issues permits for and performs inspections on building, plumbing, electrical and mechanical related items. These permits and inspections play a critical role in the assurance that structures within the City are of good quality and safe.

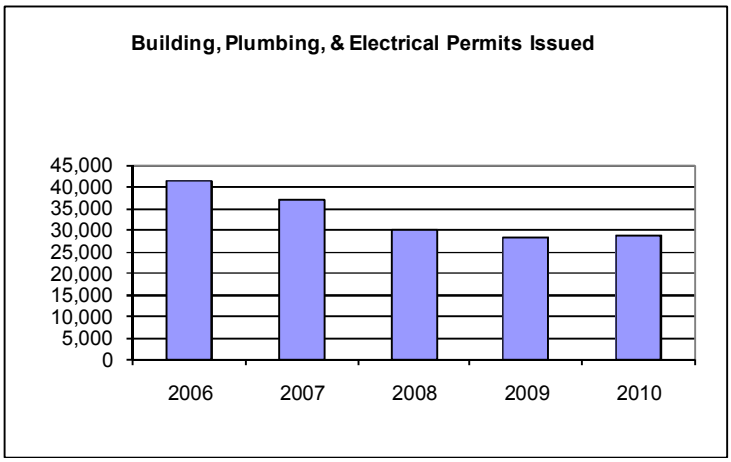
- **Environment and Sustainability Office** - Responsible for the coordination of programs on a city wide basis involving environmental issues. This division assists City staff in meeting environmental mandates and develops environmental programs for the City.

- **Management and Support** - Provides graphical, technical and administrative services to assist many Planning Department programs, activities, and boards. This division is responsible for the management of financial resources for the entire Planning Department.

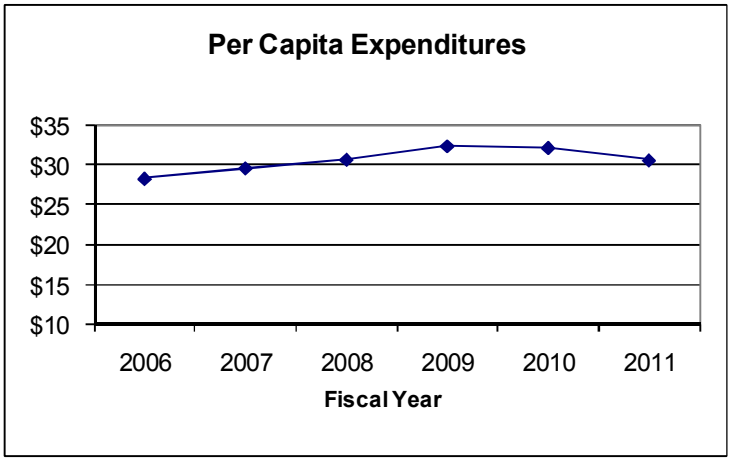
- **Mass Transit Operations** - The City of Virginia Beach's contribution to Hampton Roads Transit (HRT). This includes contributions from the Lynnhaven Tax Increment Financing (TIF) for routes that serve the Lynnhaven Mall, and the Tourism Growth Investment Fund to help offset the cost of trolleys at the oceanfront.

Trends and Issues

- The Planning Department's a unique governmental entity. This is one of the departments within the City that is directly tied to the economy and supply and demand. In past years, when City development was thriving the Planning Department was seeing yearly growth in the number of permits issued and plans reviewed. The recent recession has slowed down the economy and as a result the Planning Department has seen a continued decline in the number of permits issued and plans reviewed.



- In recognizing this trend and needing to reduce departmental expenditures, the Planning Department has implemented a strategic departmental reorganization plan. This plan will eliminate 11 FTEs and transfer the tasks and responsibilities of each position within the department. The positions being eliminated are not programmatically specific; however, they are from different divisions and programs across the entire department. When the growth in housing and economy return to previous levels, without additional staffing, the department will be slow to respond to the increased demand.



- Mass transit operation is funded through the Department of Planning's budget. There have been no decreases to the level of mass transit services that are going to be offered in FY 2010 11; however, the only change is an increase in the amount of services being provided. One of these increases is in the number of bus hours providing service between Kempsville and Tidewater Community College (TCC). This service has been extended later into the evening so that students attending TCC night classes will have a means of transportation.

- The Planning Department has made over $80,000 in efficiency cuts in its FY 2010 11 budget. Some of these efficiency savings are the result of eliminating support cost associated with eliminated positions; however, a good portion of these savings are the results of fewer items being heard at board and commission meetings and contracting out for postage services. As mentioned above, the Planning Department has seen a decrease in work demand with the downturn in the economy. The same is true with the request for items to be heard at the board meetings the department supports. In supporting these boards, the Planning Department is required to send out certified notifications and advertise the items to be heard. The operations of these services have been modified so they are completed in a more cost efficient manner.

- The Environmental Management Center is reorganizing and has changed its title to Environment and Sustainability Office. As a part of this reorganization, a vacant Administrative Analyst position transferred from Management Services to the Department of Planning is being converted to an Energy Assurance, Conservation and Efficiency Administrator (ACE). This position will oversee and manage the ongoing planning and implementation of energy assurance conservation and efficiency.

- Staff members within the Planning Department are absorbing additional work load responsibilities over the next two years. A Transportation Planning Coordinator and two Planner II positions will remain funded within the Department of Planning; however, these positions will report to the Strategic Growth Area (SGA) office to work on various projects and initiatives.

Planning - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Director's Office	1,408,469	1,427,009	1,245,682	(181,327)
Comprehensive Planning	662,438	631,697	657,242	25,545
Environment and Sustainability Office	343,654	216,181	122,306	(93,875)
Development Services	1,590,746	1,660,373	1,589,748	(70,625)
PU - Development Services	243,770	263,635	268,402	4,767
Current Planning	1,996,808	1,927,751	1,900,751	(27,000)
Permits Administration	1,080,495	1,222,001	1,125,985	(96,016)
Building Inspections	2,802,604	2,796,643	2,586,228	(210,415)
Zoning Board of Appeals	27,969	41,789	35,501	(6,288)
Mass Transit Operations	2,879,034	2,907,059	2,992,155	85,096
Wetlands Board	7,727	14,331	14,331	0
Total Expenditures	13,043,714	13,108,469	12,538,331	(570,138)
Revenues				
Director's Office	397,889	709,761	511,013	(198,748)
Development Services	266,468	271,797	271,797	0
Current Planning	73,060	0	0	0
Permits Administration	3,303,597	3,481,718	3,098,850	(382,868)
Zoning Board of Appeals	29,200	0	0	0
Mass Transit Operations	419	0	0	0
Wetlands Board	10,150	0	0	0
Total Revenues	4,080,783	4,463,276	3,881,660	(581,616)
General City Support	8,962,931	8,645,193	8,656,671	11,478
152 Tourism Growth Investment Fund				
Expenditures				
TGIF - Mass Transit Operations	427,722	590,000	590,000	0
Total Expenditures	427,722	590,000	590,000	0
Revenues				
TGIF - Mass Transit Operations	427,722	590,000	590,000	0
Total Revenues	427,722	590,000	590,000	0
General City Support	0	0	0	0
165 Lynnhaven Mall Tax Increment Financing Fund				
Expenditures				
Lynnhaven TIF - Mass Transit Operations	250,000	250,000	250,000	0
Total Expenditures	250,000	250,000	250,000	0
Revenues				
Lynnhaven TIF - Mass Transit Operations	250,000	250,000	250,000	0
Total Revenues	250,000	250,000	250,000	0
General City Support	0	0	0	0
Total Department Expenditure	13,721,436	13,948,469	13,378,331	(570,138)
Total Department Revenue	4,758,505	5,303,276	4,721,660	(581,616)
Total General City Support	8,962,931	8,645,193	8,656,671	11,478

Planning - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Position Summary by Program				
002 General Fund				
Director's Office	15.00	15.00	12.00	-3.00
Comprehensive Planning	7.00	7.00	7.00	0.00
Environment and Sustainability Office	2.00	2.00	1.00	-1.00
Development Services	20.00	19.00	18.00	-1.00
PU - Development Services	3.00	3.00	3.00	0.00
Current Planning	24.00	24.00	23.00	-1.00
Permits Administration	13.00	13.00	12.00	-1.00
Building Inspections	41.00	40.00	37.00	-3.00
Total	125.00	123.00	113.00	-10.00
Total Position Summary	125.00	123.00	113.00	-10.00

Public Utilities - Departmental Performance Report

Public Utilities

The mission of the Department of Public Utilities is to provide public water, including water for fire protection, and public sanitary sewer service to the urban areas of Virginia Beach. The goals of this department include: 1) operate as a revenue supported enterprise; 2) provide quality public service at reasonable costs; 3) plan, build, operate, and maintain its facilities to meet the community needs, environmental responsibilities and regulatory requirements; and 4) develop an environment that fosters innovation, creative ideas, and adaptability to change in meeting the needs of our customers.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Community						
Locate and Mark Water and Sewer						
Miss Utility Locating Requests Received	#	80,400.0	78,800.0	68,056.0	80,400.0	75,000.0
Maintain Fire Hydrants						
Defect Notices per 1,000 Hydrants	#	8.0	7.2	2.1	8.0	8.0
Fire Hydrants Serviced	#	1,600.0	1,600.0	1,590.0	1,600.0	1,600.0
Provide Safe Drinking Water						
Active Water Connections	#	131,683.0	131,085.0	131,367.0	132,405.0	133,005.0
Annual Water Quality Samples Tested	#	2,700.0	2,750.0	2,555.0	2,700.0	2,700.0
Respond to Water and Sanitary Sewer Line Defects						
Number of Stoppages	#	4,750.0	5,000.0	3,980.0	4,750.0	4,000.0
Number of Stoppages per Crew	#	1,200.0	1,300.0	796.0	1,200.0	1,000.0
On-time Arrival by Water Crews	%	94.0	94.0	94.0	94.0	94.0
Sanitary Sewer Laterals Replaced	#	335.0	325.0	358.0	335.0	335.0
Sanitary Sewer Main CCTV'd (feet)	#	185,000.0	150,000.0	172,570.0	185,000.0	185,000.0
Sanitary Sewer Main Cleaned (feet-in millions)	#	1.2	0.9	1.1	1.2	1.3
Water Main Breaks per 1,000 Miles	#	150.0	138.0	158.0	150.0	150.0
Financial						
Accurate Water Meter Reading						
Number of Misreads	#	604.0	600.0	604.0	604.0	585.0
Water Meters Read	#	801,500.0	796,000.0	787,443.0	801,500.0	801,500.0
Aged Meter Replacement Program						
Personnel per 1,000 Water Meters Replaced	#	4.1	5.1	4.3	4.1	3.9
Water Meters Replaced	#	7,000.0	5,765.0	6,848.0	7,000.0	7,500.0
Bad Debt Percentage of Billed Revenues						
Bad Debt Percentage of Billed Revenues	%	1.0	0.5	0.4	0.5	0.5
Safe Pump Station Operations						
Cost per Sewer Pump Station	$	15,088	12,519	15,731	15,088	15,284
Cost per Water Pump Station	$	292,228	295,540	309,367	292,228	292,228
Sewer Pump Stations Maintained Each Year	#	405.0	405.0	405.0	405.0	410.0
Sewer Pump Stations Maintained per Electrical Crew	#	101.3	101.3	101.3	101.3	82.0
Water Pump Stations Maintained Each Year	#	9.0	9.0	9.0	9.0	9.0
Water Pump Stations per Electrical Crew	#	4.5	4.5	4.5	4.5	4.5

Major Changes

In total, the Department of Public Utilities increased by $4,141,847 in FY 2010-11 compared to the adjusted FY 2009-10 operating budget. There are two primary reasons: a proposed water rate increase that will generate $4 million and the use of almost $3 million of retained earnings in the operating budget to support a "true-up" payment for the Water Services Contract with the City of Norfolk.

Change	Impact
Implementation of a water rate increase to support a Right-of-Way Utility Transfer	• The Water Service Availability Charge is increasing 31¢ per month and the water usage rate is increasing 31¢ per 1,000 gallons. • The annual impact to a single-family dwelling is anticipated to be $22.32.
Implementation of a four year, stepped sewer rate increase to support capital and operating budget impacts of the regional consent order	• The proposed sewer rate increase for FY 2011-12 would generate $4.16 million to begin addressing the capital needs of meeting the regional consent order issued to the Hampton Roads region by the EPA and DEQ. • The sewer rate for a 5/8" meter will increase from $19.54 in FY 2010-11 to $22.12 beginning in FY 2011-12. • The annual impact to a single-family dwelling, beginning July 2011, is anticipated to be $30.96. • A table at the end of this departmental section shows the monthly impact of the proposed stepped plan on a single-family dwelling.
Payment of administrative costs to Human Services for administering the Water Assistance Program	• Human Services has previously absorbed the staffing and administrative costs for evaluating applicants and processing payments for the Water Assistance Program; however, in the upcoming year, Public Utilities will pay for some contracted manpower and administrative costs to continue the program.

Departmental Overview

The Department of Public Utilities, also called the Water and Sewer Enterprise Fund, provides water and sanitary sewer services to the residents of Virginia Beach. The water distribution system is the part of the utility infrastructure that carries potable water from the water treatment plant and delivers it to customers. The water system also provides fire protection through fire hydrants, installed throughout the pipe network. The sanitary sewer system is the part of the utility infrastructure that carries wastewater from individual properties and delivers it to one of two Hampton Roads Sanitation District sewer treatment plants in the City.

Public Utilities has a schedule of fees and charges for both water and sanitary sewer services. These charges are necessary to fund the water and sanitary sewer operations, Capital Improvement Program, ensure continued compliance with State and Federal laws and regulations, and ensure reliable quality customer service. The bills issued by Public Utilities represent a combined statement for Public Works and Public Utilities and include water supply, service availability, utility tax, and sanitary sewer service, as well as charges for storm water (Public Works).

The core services provided by Public Utilities may be divided into the following general areas:

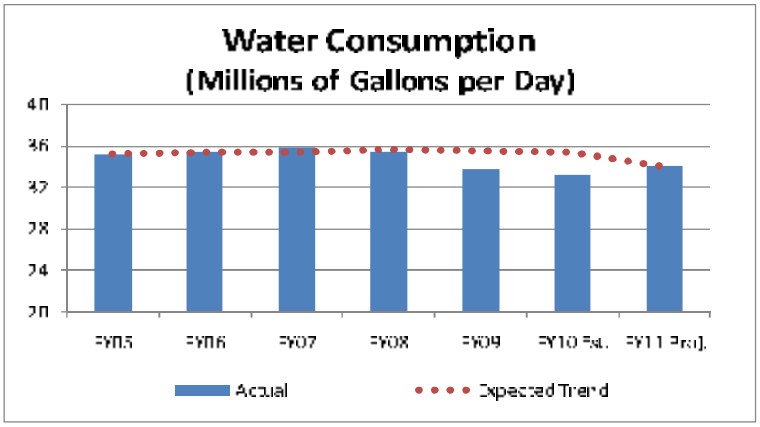
Engineering and Capital Construction - Includes review, development and implementation (project management and construction inspection) of the Capital Improvement Program (CIP) for the water and sanitary sewer systems; coordination of department efforts to reduce/eliminate sanitary sewer overflows to comply with the Clean Water Act and other requirements of the U.S. Environmental Protection Agency (EPA) and Virginia Department of Environmental Quality (DEQ) 2007 Hampton Roads consent order; assessment of the City's water supply needs; operation and maintenance of the Lake Gaston and Stumpy Lake Water Supply Projects; and provision of engineering technical support in other areas such as water quality, groundwater monitoring, map maintenance, record keeping, and regional water and sanitary sewer issues.

- **Operations and Maintenance** – Includes provision of continuous, 24 hour per day water supply services and sanitary sewer collection system to meet customer demands; monitoring, maintenance and repair of the City's water and sanitary sewer systems including 9 water pump stations, 12 storage facilities, 405 sanitary sewer pump stations, 8,047 fire hydrants, and other components of the utility systems; protection of the utility systems by locating facilities in accordance with the Underground Utility Damage Prevention Act; compliance with Safe Drinking Water Act by collecting and analyzing monthly, quarterly, semi-annual and annual water samples; and flushing water distribution lines to maintain water quality.

- **Business Operations** - Includes management of the department's water and sanitary sewer customer call center that receives 180,000 calls annually, customer accounting of 131,367 water accounts (e.g., account initiation, billings, payment arrangements, revenue collection), field service orders, and service discontinuance; ensures the fiscal integrity and budgetary self-sufficiency of the water and sewer utility enterprise fund including compliance with the requirements of the Master Bond Resolution; administration of the Norfolk Water Services contract; and administration of various public education and awareness programs including water conservation, Fats Oils & Grease (FOG), and backflow prevention.

Trends and Issues

- As an enterprise operation, the Water and Sewer Fund must adjust operating expenses to meet anticipated revenues. The department's estimated revenues from current water and sewer rates (without considering any rate increases) were projected to decrease nearly 3% (from $102.5 million to $99.7 million) compared to the FY 2009-10 original budget. There are several causes of these reductions: (1) consumers are using less water due to higher efficiency appliances and smaller households, (2) a national trend to reduce individual consumption and increased focus on conservation, (3) higher vacancy rates for homes due to foreclosures, (4) the economy has slowed new home construction, so the growth in new accounts is minimal, and (5) interest rates are low; therefore, interest earnings on deposits are depressed.



Additionally, the department was affected by increased retirement rates and an increase in the cost of the Water Services Contract with the City of Norfolk. In response to these economic conditions, the department made adjustments to their operating expenses for current services and programs, including reducing pay as you go funding in the Capital Improvement Program and the deferring the bond issuance for FY 2010-11 projects; however, Public Utilities will not be able to absorb additional impacts related to the regional consent order within the current rate structure.

- A key service and cost driver is the increased volume and cost for maintenance, repair and replacement of aging water and sanitary sewer infrastructure funded over a 15 to 20 year cycle in the Capital Improvement Program. The Federal Environmental Protection Agency and the State Department of Environmental Quality issued a consent order for Hampton Roads in September 2007. The intent of the consent order is to reduce and control sanitary sewer overflows in the region. This consent order mandates significant increases, primarily in capital expenditures to overhaul the sewer system, but also includes both operational and maintenance impacts. In total, the anticipated capital expenditures needed to comply with this mandate is over $200 million.

  Phase I of the consent order involves analysis of the sanitary sewer system with a deadline of FY 2012-13. Phase II is from FY 2012-13 to FY 2022-23 and involves comprehensive sanitary sewer system rehabilitation. The consent order will require major expenditures, including:

- Monitoring and evaluation for 240 sewer pump stations and service areas (including cleaning, closed circuit television (CCTV) inspection, and repairs of significant defects).
- Conducting an infiltration and inflow reduction program, including smoke testing for those 240 service areas.
- Flow monitoring for 100 to 200 sewer pump stations.
- Establishment of the Fats, Oils and Grease (FOG) Program to manage, inspect and enforce compliance on more than 1,600 food service establishments on an ongoing, annual basis.
- Root Control Program for more than 75 miles of mainline collector pipe each year.
- Immediate cleaning, televised inspection and repair of major defects for the line segments upstream and downstream of every sewer overflow and major blockage.
- Comprehensive sanitary sewer system rehabilitation plan.
- A sanitary sewer hydraulic model (integrated with the Hampton Roads Sanitation District (HRSD) model).
- Extensive engineering analysis to support the development of a Regional Wet Weather Management Plan in 2014.

Public Utilities Infrastructure as of FY 2010-11

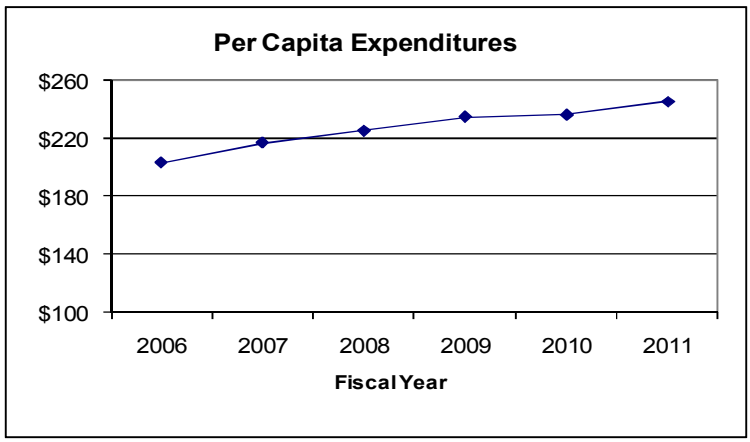
Asset	Existing Inventory	Annual Increase	Greater Than 30 Years Old
Water and Sewer Lines (miles)	3,103	24	1,300
Pump Stations	405	5	150
Fire Hydrants	8,047	170	4,900
Water Services	131,367	600	72,000
Sewer Manholes	28,075	75	12,000
Sewer Laterals	129,084	250	50,000

The cost of maintaining and upgrading the City's water and sewer system, and especially the financial effects of complying with the mandate, can be understood when considering the size, age and condition of the City's water and sewer system. The water and sanitary sewer system is extensive and has an estimated replacement cost exceeding $3 billion. More than half of the system was constructed by the mid 1980's, by private developers and did not have today's materials or standards. Right now, 56% of the water system and 40% of the sewer system is more than 30 years old; some components of these systems are more than 50 years old. It will require a substantial financial investment to replace over the next 30 years. This is illustrated by the fact that the typical sewer rehabilitation costs $10,000 per lot, which equates to about $800 per lot in annual debt service; however, the annual revenue from one lot averages only $240.

For FY 2010-11, Public Utilities has re-prioritized the $25 million Capital Improvement Program to further shift the focus on the sanitary sewer regulatory compliance, but that shift has reduced funding for several water initiatives as a result. A $40 million annual capital investment is needed to ensure compliance with the consent order. A stepped sewer rate increase, beginning in FY 2011-12, will be necessary to address the $15 million annual increase in capital investment. Year 1 will generate an additional $4.16 million. This will enable the department to increase pay-as-you-go funding from $5 million to $8 million annually, to support increased debt service for the issuance of additional bond funding, and operational staffing to address the increased workload.

- Beginning in FY 2010-11, the Water and Sewer Enteprise Fund will begin paying a Right-of-Way Utility Transfer to compensate the City for the use of the public right-of-way to lay underground utilities. The establishment of this rental fee will ensure that Public Utilities provides some reimbursement to the City for the use of public land that was purchased with general tax dollars. Fees are already charged to other entities that receive benefits from using the public right-of-way. The Utility departments in both Norfolk and Newport News provide about $10 million annually to those cities and in Chesapeake, the payments are in the $2-3 million range. Public Utilities will begin paying $4 million annually, based on 4.3% of their annual operating revenue. This additional cost will require a 31¢ increase to the monthly Water Service Availability Fee and a 31¢ increase per 1,000 gallons of water. The impact to the typical single family residence will be $22.32 per year. The Right-of-Way Utility Transfer will provide $2 million annually to the Pavement Maintenance Program in the Public Works operating budget and another $2 million annually to the Street Reconstruction (CIP# 2-031) in the Roadways section.

- As the graph illustrates, per capita expenditures are increasing 3.8%, which maintains existing staffing and services and funds some additional expenses beyond those in the current year. In addition to the Right-of-Way Utility Transfer previously mentioned, Public Utilities has also budgeted almost $3 million for a "true-up" payment to the City of Norfolk to make up the difference between the projected wholesale water rates for FY 2008 and FY 2009 and the actual costs incurred during that period. No costs related to the sanitary sewer rate increase are shown here because the proposed sewer rate increase does not begin until FY 2011-12.



- The Water and Sewer Enterprise Fund issues debt through revenue bond sales and maintains a strong AA/AAA bond rating. The Enterprise Fund has the benefit of being in a strong financial position due to effective management of resources and compliance with stringent fiscal policies. The policies for handling accounting practices, debt and financial management for Public Utilities were established in May 2002. These policies have the goal of increasing bond ratings which helps to decrease interest rates paid on bonds; maintain an unrestricted cash balance in retained earnings equal to 80 to 100% of annual operating expenses; provide adequate revenue coverage for payment of bonds equal to 1.5 times the minimum; and fund a minimum of 25% of the Capital Improvement Program through pay-as-you-go funding and retained earnings. There are plans for the issuance of approximately $60 million of Water and Sewer Revenue Bonds in late spring 2010.

- The Department of Public Utilities is actually answering fewer customer service calls than the previous year. This is a result of launching a new web interface last July, which gives customers the convenience and flexibility of making online inquiries, managing their accounts online and expanded payment options, such as credit cards, which will be available soon. These enhancements will improve customer service and increase the availability of information for water and sewer customers.

For FY 2010-11, the following rates and fees will be increased:

Name of Fee	Current Amount	FY 2011 Proposed Amount	Date of Last Increase
Water Service Availability Charge	$4.10 per month	$4.41 per month	FY 2009-10
Water Usage Charge	$4.10 per 1,000 Gallons	$4.41 per 1,000 Gallons	FY 2009-10

The following table illustrates the financial impact of Water and Sewer rate increases on a typical single family residence using 5,000 gallons of water per month and a 5/8" meter for water and sewer. A full schedule of proposed sewer rates for each fiscal year through FY 2014-15 can be found in the ordinance section of the Capital Improvement Program, beginning on page 9-14.

DEPARTMENT OF PUBLIC UTILITIES
PROPOSED WATER AND SANITARY SEWER RATE INCREASES
FY 2011 THROUGH FY 2015

		Proposed				
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Monthly Water Supply Charge (Single Family Residence, 5,000 gallons)	$24.80	$26.46	$26.46	$26.46	$26.46	$26.46
Monthly Sanitary Sewer Charge (Single Family Residence, 5/8" Meter)	19.34	19.54	22.12	24.86	27.76	30.81
Total Water and Sanitary Sewer	**$44.14**	**$46.00**	**$48.58**	**$51.32**	**$54.22**	**$57.27**
Monthly Increase to Residential Bill ($) (Single Family Residence, 5,000 gallons, 5/8" Meter)		$1.86	$2.58	$2.74	$2.90	$3.05

Public Utilities - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
241 Water and Sewer Fund				
Expenditures				
Director's Office	388,345	401,940	392,717	(9,223)
Engineering	6,264,095	7,478,910	7,447,879	(31,031)
Lake Gaston Facilities	2,469,065	2,754,199	2,885,304	131,105
Water Services Contract	25,251,195	26,814,190	29,716,190	2,902,000
Operations Administration	3,006,289	2,967,108	2,932,305	(34,803)
Water Distribution	3,760,001	3,670,210	3,616,264	(53,946)
Water Pump Stations	2,491,831	2,659,866	2,644,232	(15,634)
Meter Operations	3,446,096	3,317,936	3,305,666	(12,270)
Sewer Collection	6,518,225	5,700,966	5,649,446	(51,520)
Sewer Pump Stations	6,273,550	6,110,775	6,220,274	109,499
Business Division	6,470,872	6,961,553	6,953,975	(7,578)
Debt Service	5,745,518	16,389,014	16,389,014	0
Reserve for Contingencies	0	3,281,998	3,069,281	(212,717)
Transfer to Other Funds	12,750,884	13,985,245	15,413,210	1,427,965
Transfer to Retained Earnings	13,461,583	0	0	0
Total Expenditures	98,297,549	102,493,910	106,635,757	4,141,847
Revenues				
Administration and Finance	98,246,866	102,493,910	103,658,757	1,164,847
Water Services Contract	0	0	2,977,000	2,977,000
Water Distribution	30,209	0	0	0
Meter Operations	16,822	0	0	0
Sewer Collection	2,852	0	0	0
Sewer Pump Stations	800	0	0	0
Total Revenues	98,297,549	102,493,910	106,635,757	4,141,847
General City Support	0	0	0	0
Total Department Expenditure	98,297,549	102,493,910	106,635,757	4,141,847
Total Department Revenue	98,297,549	102,493,910	106,635,757	4,141,847
Total General City Support	0	0	0	0

Position Summary by Program				
241 Water and Sewer Fund				
Director's Office	3.00	3.00	3.00	0.00
Engineering	78.00	81.00	81.00	0.00
Operations Administration	21.00	21.00	21.00	0.00
Water Distribution	41.00	41.00	41.00	0.00
Water Pump Stations	25.00	25.00	25.00	0.00
Meter Operations	45.00	45.00	45.00	0.00
Sewer Collection	64.00	64.00	64.00	0.00
Sewer Pump Stations	59.00	59.00	59.00	0.00
Business Division	65.50	65.50	65.50	0.00
Total	401.50	404.50	404.50	0.00
Total Position Summary	401.50	404.50	404.50	0.00

Resource Summary Notes

The $2,977,000 revenue in the Water Services Contract shows the use of retained earnings to make a “true up” payment to the City of Norfolk for the difference between projected water rates and actual rates for FY 2007-08 and FY 2008-09. This payment is being made with retained earnings since these are prior year costs.

Public Works - Departmental Performance Report

Public Works

The mission of the skilled and professional people of the Department of Public Works provide total life cycle management of the public infrastructure and key essential services. We succeed through the proper management of programs and resources to enhance the health, safety, and welfare of the residents, businesses, and visitors of the City Of Virginia Beach.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Enhance Storm Water Quality						
Completed Storm Water Maintenance Work Orders	#	6,000.0	5,393.0	5,391.0	6,000.0	6,000.0
Operate City Landfill II						
Inspection of Landfills By Regulating Agencies	#	8.0	8.0	8.0	8.0	8.0
Inspections of Landfill With Satisfactory Rating	%	100.0	100.0	100.0	100.0	100.0
Provide Automotive Services						
Average Days to Complete an Automotive Services Work Order	#	7.5	7.7	7.8	7.9	7.8
Provide Custodial Services						
Custodial Contract Service Cost per Square Foot	$	1	1	1	1	1
Custodial In-House Service Cost per Square Foot	$	1	1	1	1	1
Provide Facility Maintenance Services						
Average Days to Complete a Demand Facility Maint Work Order	#	0.5	0.5	0.5	0.5	0.5
Facility Maintenance Cost per Square Foot (Excluding Custodial)	$	3	3	3	3	3
Number of Emergency Maintenance Calls	#	420.0	465.0	465.0	408.0	420.0
Number of Facility Maintenance Work Orders Completed	#	20,300.0	22,165.0	25,014.0	20,248.0	20,300.0
Number of Facility Maintenance Work Orders Requested	#	20,480.0	22,165.0	25,461.0	20,672.0	20,480.0
Total Square Feet of Facilities Being Maintained - in millions	#	3.7	3.7	3.7	3.7	3.7
Provide Roadway Maintenance						
Lane Miles of Street Reconstruction	#	8.0	0.0	1.6	8.0	8.0
Roadway Resurfacing Cycle - in years	#	15.0	23.0	28.0	23.0	19.0
Provide Waste Collection Service						
Tons of Regular Waste Collected - in thousands	#	130.0	141.6	130.5	130.9	130.0
Tons of Yard Debris Collected - in thousands	#	44.0	33.3	36.2	44.2	44.0
Waste Collection Complaints per 10,000 Collections	#	6.0	6.6	5.7	6.1	6.1
Waste Collections Made to Residential Customers - in millions	#	6.5	6.4	6.5	6.5	6.5
Recycle Materials						
Tons of Recycled Materials	#	35,000.0	36,792.0	34,152.0	35,000.0	35,000.0

Major Changes

In total, the FY 2010-11 budget of the Department of Public Works increased $1,897,363 over the FY 2009-10 amended budget, but the number of personnel is reduced by 5.0 FTEs.

Change	Impact
The Pavement Maintenance Program that previously has been funded through the Capital Improvement Program has been moved to the Public Works operating budget beginning in FY 2010-11, with $2,000,000 added from a new Water and Sewer Right-of-Way Utility Transfer.	• Moving the Pavement Maintenance funding previously budgeted in the Capital Improvement Program to the operating budget consolidates all the roadway maintenance functions.
Decrease in Storm Water Capital Improvement Program.	• An Engineer III position and a Construction Inspector III position are eliminated because of funding reduction to three storm water capital projects. These positions are involved with other projects, so some impact on project management and inspection is anticipated.
Decrease in research.	• Not funding the Administrative Analyst position would result in inadequate research and prepared recommendations for key issues related to department operations. Departmental response times to requested information from Business Center/Director's Office would greatly increase.
Improved efficiencies at the City Garage.	• The elimination of the Mechanic Supervisor and Mechanic III positions are associated with eliminating the night shift at one of the City Garage sites. No impact is anticipated.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

Most of the department's operations receive financial support through the general fund. Other funds that support the department include the Storm Water Utility Fund, which funds the majority of storm water operations; the Parks and Recreation Special Revenue Fund, which provides funding to Public Works for recreation center maintenance; the Tourism Growth Investment Fund, which supports recycling, beach operations, and building maintenance in the resort area; and the City Garage and Fuels Internal Service Funds, which provide automotive maintenance and fuel for the City's rolling stock.

The core services provided by the Public Works Department are as shown below:

- **Infrastructure Maintenance, Repairs and Asset Management** - This division is the primary interface of the Public Works Department with the citizens and City employees to receive, record, investigate, and resolve reports of deficiencies that require maintenance, repair, and restoration. Assets managed include all the City owned administrative, recreational, industrial and public safety facilities; all roadways, bridges, curbs, gutters, sidewalks, storm water pipe, swales, and the roadside and off road ditch network; storm water BMP inspections; public beaches; daily navigational maintenance dredging of Rudee Inlet, navigational buoys and markers; traffic management operations, traffic signs, signalized intersections and markings; and mosquito/vector population assessment, control and reporting. The department maintains an infrastructure inventory and utilizes asset management methods to determine appropriate maintenance cycles; provides engineering design solutions in support of maintenance; and administers architectural and engineering and service/minor construction contracts.

- **Capital Construction and Replacement** – This includes system planning, design, acquisition of property, project management, construction and inspection of all new and replacement roadways, storm water, coastal, and building infrastructure, as well as parks and recreation capital projects and other large capital projects. This effort includes development of project scopes, coordination with numerous City, State and Federal agencies, coordination with

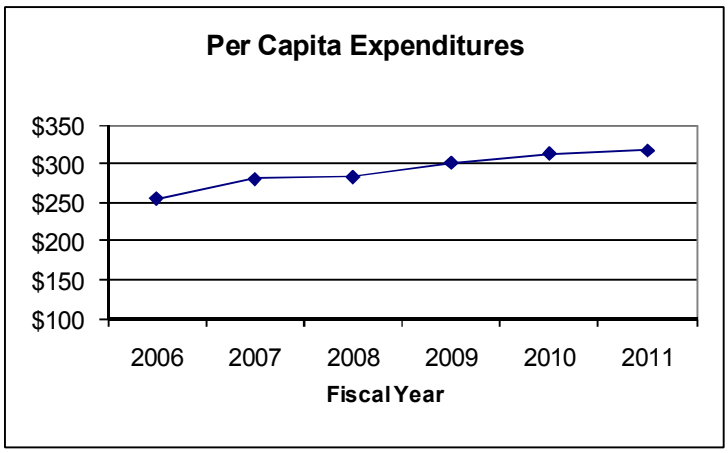
citizens, effective right-of-way and site acquisition, deve opment of designs that are functiona , ow maintenance, yet aesthetically p easing, and ensuring qua ity contro durirg the construction phase

- **Waste Management** - This includes long range planning, providing citywide residential automated, manual and special solid waste collections, providing containers for residents to dispose of large quantities of yard debris, centralizing the City's recycling effort, operating a City landfill, and serving as a conduit between the City and the Southeastern Public Service Authority, which is the agency responsible for the regional waste disposal program.

- **Automotive Services** - This provides both routine and preventive maintenance and full life cycle services to the City's rolling stock inventory of about 3,600 major pieces of equipment including automobiles, construction vehicles and equipment, fire and rescue apparatus, helicopters, boat motors and generators. Fleet replacement recommendations are provided through a customer team. Fuel services and a motor pool are also provided to all City agencies.

Trends and Issues

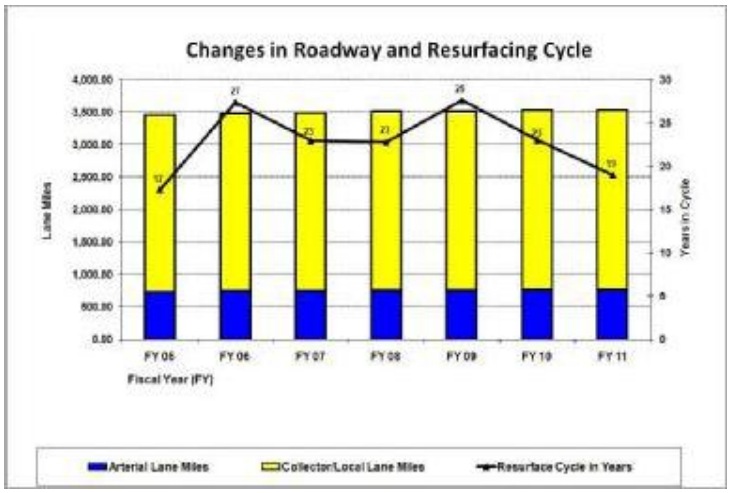
- Department expenditures increase 1.4% from the FY 2009 10 amended budget to FY 2010-11, primarily because of the transfer of pavement maintenance funds from the Capital Improvement Program to the Public Works operating budget. Without this transfer, the department's budget would have been reduced by $8,036,487, or 5.9%, compared to the FY 2009 10 amended budget.



- FY 2010 11 is the third year of a previously Council approved Storm Water Equivalent Residential Unit (ERU) fee increase. The fee will increase from 22.1 cents per day in FY 2009 10 to 24.1 cents per day in FY 2010 11. The increase provides funding for capital projects and debt service.

- The department supports an increasing number of City special events with equipment and personnel. The department's cost associated with special events has grown from $92,000 for 57 events in FY 1994 95 to $391,645 for 73 events in FY 2008 09.

- Various factors are compounding maintenance needs and costs for roadways, such as aging infrastructure, increasing demand, and the significant increase in the cost of petroleum based products. The average overlay cycle should be every 15 years to maintain level of service, and avoid costly deterioration and reconstruction. Over 80% of the City's roadways are over 15 years old, and that percentage has been increasing at a rate of about 2% each year since FY 1997 98. At the same time, traffic volume demands placed on the roadways have increased 13% to 15% since FY 1997-98. Concurrently, the costs related to roadway maintenance have increased at a rate much faster than inflation with the increase costs of petroleum products. The result has been dramatic increases in the cycle time for overlays, from 15 to



24 years, which will not sustain the inventory in an acceptable level of service. This delay in maintenance leads to deteriorating road conditions and a growing backlog that will lead to more costly repairs in the long-term. The Resource Management Plan addresses this trend by using $4 million from the Water and Sewer Right-of-Way Utility Transfer for increased pavement maintenance and street reconstruction.

Council Amendment

On May 11, 2010, City Council voted to reduce the Public Works Operating Budget by $500,000 by contracting out for disposal of household hazardous waste and yard debris.

Public Works - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Director's Office	340,951	182,683	249,892	67,209
Business Center	6,247,950	6,212,671	6,254,278	41,607
Contracts	483,225	442,746	529,922	87,176
Waste Management Program Support	892,357	980,889	950,882	(30,007)
Bureau of Waste Disposal	20,072,060	20,384,355	12,548,655	(7,835,700)
Bureau of Waste Collection	11,807,030	11,500,842	11,633,202	132,360
Recycling	5,014,735	5,325,351	5,403,904	78,553
Real Estate	985,652	978,459	971,583	(6,876)
Engineering Program Management	757,148	744,448	743,142	(1,306)
Surveys	1,031,082	1,116,651	1,098,815	(17,836)
Engineering Technical Support	404,562	448,738	442,781	(5,957)
Traffic Engineering	1,605,614	1,516,619	1,130,724	(385,895)
Transportation Program and Project Management	998,765	1,024,876	1,185,748	160,872
Engineering and Construction Management Services	1,165,725	1,347,381	1,348,794	1,413
Coastal Program and Project Management	519,389	582,214	532,947	(49,267)
Facilities Design and Construction	654,212	644,405	671,311	26,906
Street Light Installations	276,145	510,000	510,000	0
Operations Management Support	913,641	938,267	970,787	32,520
Planning, Estimating, and Scheduling	674,354	655,112	661,318	6,206
System Support Services	923,093	1,049,173	1,091,558	42,385
Infrastructure Maintenance Contracts	606,551	635,769	621,954	(13,815)
Infrastructure Maintenance Support	860,638	879,756	882,477	2,721
Street Maintenance	4,298,692	4,422,796	14,334,637	9,911,841
Dredge Maintenance	1,625,560	1,665,149	1,674,547	9,398
Mosquito Control	1,972,074	1,740,146	1,710,306	(29,840)
Traffic Management Operations	3,954,827	3,929,157	4,017,549	88,392
Beach Operations	1,200,505	1,206,365	1,221,024	14,659
Bridge Maintenance	322,925	339,212	341,559	2,347
Building Maintenance Management and Support	9,409,002	9,631,965	9,721,598	89,633
Electrical	1,645,062	1,573,659	1,626,699	53,040
Heat and Air Conditioning	1,918,222	1,728,967	1,727,785	(1,182)
General Maintenance	3,363,676	3,238,671	3,277,794	39,123
Custodial	3,222,953	3,645,649	3,629,413	(16,236)
Resort Building Maintenance	434,350	593,730	602,226	8,496
Total Expenditures	90,602,727	91,816,871	94,319,811	2,502,940
Revenues				
Business Center	4,612	0	0	0
Waste Management Program Support	(100)	0	0	0
Bureau of Waste Disposal	649,212	2,385,993	2,481,760	95,767
Bureau of Waste Collection	334,881	342,905	360,507	17,602
Recycling	917	0	0	0
Real Estate	6,560	0	0	0
Engineering Program Management	151	0	0	0
Coastal Program and Project Management	1,964	0	0	0
Street Light Installations	257,690	510,000	510,000	0
Infrastructure Maintenance Support	32,834,612	33,086,517	36,689,307	3,602,790
Street Maintenance	7,350	0	2,000,000	2,000,000
Traffic Management Operations	3,096	0	0	0
Beach Operations	8,700	0	0	0
General Maintenance	155,620	181,398	196,218	14,820
Total Revenues	34,265,265	36,506,813	42,237,792	5,730,979

Public Works - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
General City Support	56,337,462	55,310,058	52,082,019	(3,228,039)
151 Parks and Recreation Special Revenue Fund				
Expenditures				
Recreation Centers Building Maintenance	2,729,447	2,694,270	2,577,098	(117,172)
Total Expenditures	2,729,447	2,694,270	2,577,098	(117,172)
Revenues				
Recreation Centers Building Maintenance	2,729,447	2,694,270	2,577,098	(117,172)
Total Revenues	2,729,447	2,694,270	2,577,098	(117,172)
General City Support	0	0	0	0
152 Tourism Growth Investment Fund				
Expenditures				
TGIF - Recycling	9,420	50,000	52,000	2,000
TGIF Beach Operations	340,196	353,060	369,117	16,057
TGIF Resort Building Maintenance	426,828	432,101	452,145	20,044
Total Expenditures	776,444	835,161	873,262	38,101
Revenues				
TGIF Beach Operations	329,155	358,154	722,385	364,231
TGIF Resort Building Maintenance	447,289	477,007	150,877	(326,130)
Total Revenues	776,444	835,161	873,262	38,101
General City Support	0	0	0	0
172 Open Space Special Revenue Fund				
Expenditures				
Open Space - Surveys	0	15,300	15,300	0
Total Expenditures	0	15,300	15,300	0
Revenues				
Open Space - Surveys	0	15,300	15,300	0
Total Revenues	0	15,300	15,300	0
General City Support	0	0	0	0
174 Town Center Special Service District				
Expenditures				
Town Center Street Sweeping	19,017	22,000	15,000	(7,000)
Total Expenditures	19,017	22,000	15,000	(7,000)
Revenues				
Town Center Street Sweeping	31,740	22,000	15,000	(7,000)
Total Revenues	31,740	22,000	15,000	(7,000)
General City Support	(12,723)	0	0	0

Public Works - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
183 Grants Consolidated Fund				
Expenditures				
Public Works - Grants	15,000	15,000	15,000	0
Total Expenditures	15,000	15,000	15,000	0
Revenues				
Public Works - Grants	15,000	15,000	15,000	0
Total Revenues	15,000	15,000	15,000	0
General City Support	0	0	0	0
255 Storm Water Utility Enterprise Fund				
Expenditures				
SWU - Project Management	1,227,027	1,341,218	1,368,179	26,961
SWU - Customer Service	131,884	148,085	155,041	6,956
SWU - Operations and Maintenance	8,794,056	8,177,681	9,111,392	933,711
SWU - Inspections and Environmental Spill Response	436,057	417,351	466,338	48,987
SWU - Residential Street Sweeping	64,237	66,632	67,092	460
Debt Service	465,775	2,011,002	2,011,002	0
Reserve for Contingencies	0	160,777	223,436	62,659
Transfer to Other Funds	9,675,693	12,653,747	10,544,961	(2,108,786)
Total Expenditures	20,794,729	24,976,493	23,947,441	(1,029,052)
Revenues				
SWU - Customer Service	22,776,489	24,904,631	23,875,183	(1,029,448)
SWU - Operations and Maintenance	427,210	13,214	13,610	396
SWU - Residential Street Sweeping	57,498	58,648	58,648	0
Total Revenues	23,261,197	24,976,493	23,947,441	(1,029,052)
General City Support	(2,466,468)	0	0	0
606 City Garage Internal Service Fund				
Expenditures				
Automotive Services	9,975,456	9,814,529	9,720,773	(93,756)
Motor Pool	63,971	68,848	110,397	41,549
Reserve for Contingencies	0	0	100,000	100,000
Total Expenditures	10,039,427	9,883,377	9,931,170	47,793
Revenues				
Automotive Services	10,030,548	9,814,529	9,820,773	6,244
Motor Pool	149,279	68,848	110,397	41,549
Total Revenues	10,179,827	9,883,377	9,931,170	47,793
General City Support	(140,400)	0	0	0
616 Fuels Internal Service Fund				
Expenditures				
Fuels	5,368,683	5,775,990	5,737,743	(38,247)
Total Expenditures	5,368,683	5,775,990	5,737,743	(38,247)
Revenues				
Fuels	5,686,583	5,775,990	5,737,743	(38,247)
Total Revenues	5,686,583	5,775,990	5,737,743	(38,247)
General City Support	(317,900)	0	0	0

Public Works - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Total Department Expenditure	130,345,474	136,034,462	137,431,825	1,397,363
Total Department Revenue	76,945,503	80,724,404	85,349,806	4,625,402
Total General City Support	53,399,971	55,310,058	52,082,019	(3,228,039)

Position Summary by Program

002 General Fund				
Director's Office	2.00	2.00	2.00	0.00
Business Center	8.00	8.00	8.00	0.00
Contracts	7.00	7.00	8.00	1.00
Waste Management Program Support	15.00	15.00	15.00	0.00
Bureau of Waste Disposal	15.00	15.00	15.00	0.00
Bureau of Waste Collection	152.00	151.00	150.00	-1.00
Recycling	0.50	0.50	0.50	0.00
Real Estate	12.00	12.00	12.00	0.00
Engineering Program Management	9.00	9.00	9.00	0.00
Surveys	17.00	16.00	16.00	0.00
Engineering Technical Support	5.00	5.00	5.00	0.00
Traffic Engineering	17.88	17.88	13.00	-4.88
Transportation Program and Project Management	11.00	11.00	12.00	1.00
Engineering and Construction Management Services	17.00	16.00	15.00	-1.00
Coastal Program and Project Management	6.00	6.00	5.00	-1.00
Facilities Design and Construction	7.00	6.00	6.00	0.00
Operations Management Support	14.00	14.00	14.00	0.00
Planning, Estimating, and Scheduling	8.00	8.00	8.00	0.00
System Support Services	13.00	13.00	13.00	0.00
Infrastructure Maintenance Contracts	8.00	8.00	8.00	0.00
Infrastructure Maintenance Support	10.00	10.00	10.00	0.00
Street Maintenance	69.00	69.00	68.00	-1.00
Dredge Maintenance	21.00	21.00	21.00	0.00
Mosquito Control	34.00	27.00	27.00	0.00
Traffic Management Operations	36.00	35.00	38.88	3.88
Beach Operations	9.00	9.00	9.00	0.00
Bridge Maintenance	6.00	6.00	6.00	0.00
Building Maintenance Management and Support	12.00	12.00	12.00	0.00
Electrical	21.00	21.00	21.00	0.00
Heat and Air Conditioning	22.00	22.00	22.00	0.00
General Maintenance	44.00	43.00	43.00	0.00
Custodial	61.00	61.00	61.00	0.00
Resort Building Maintenance	3.00	3.00	3.00	0.00
Total	692.38	679.38	676.38	-3.00
151 Parks and Recreation Special Revenue Fund				
Recreation Centers Building Maintenance	4.00	4.00	4.00	0.00
Total	4.00	4.00	4.00	0.00

Public Works - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
152 Tourism Growth Investment Fund				
TGIF Beach Operations	5.00	5.00	5.00	0.00
TGIF Resort Building Maintenance	8.00	8.00	8.00	0.00
Total	13.00	13.00	13.00	0.00
255 Storm Water Utility Enterprise Fund				
SWU - Project Management	11.00	11.00	11.00	0.00
SWU - Customer Service	2.00	2.00	2.00	0.00
SWU - Operations and Maintenance	68.00	75.00	75.00	0.00
SWU - Inspections and Environmental Spill Response	5.00	5.00	5.00	0.00
SWU - Residential Street Sweeping	1.00	1.00	1.00	0.00
Total	87.00	94.00	94.00	0.00
606 City Garage Internal Service Fund				
Automotive Services	81.00	81.00	79.00	-2.00
Total	81.00	81.00	79.00	-2.00
Total Position Summary	877.38	871.38	866.38	-5.00

Resource Summary Notes

The increase in the Public Works budget from FY 2009-10 to FY 2010-11 is the result of moving funding for the Pavement Maintenance CIP project to the operating budget and increasing the funding by $2 million to address the pavement maintenance backlog.

Museums - Departmental Performance Report

Museums						
The mission of the Department of Museums is to contribute to the quality of life, economic vitality and education of the citizens of and visitors to the City of Virginia Beach through the operation of a world-class aquarium and history museums.						
Objective/Performance Measure	**Unit**	**Annual Target**	**Actual 2008**	**Actual 2009**	**Est. 2010**	**Proj. FY 2011**
Community						
Attract Visitors to Historic Houses and History Museums						
Visitors to the Historic Houses	#	20,000.0	18,696.0	16,590.0	13,000.0	13,000.0
Customer						
Attract Visitors to Aquarium						
Total Number of Memberships	#	5,000.0	5,259.0	4,670.0	6,921.0	5,100.0
Visitors to the Aquarium	#	700,000.0	577,356.0	598,119.0	725,000.0	700,000.0
Operate IMAX Theater						
IMAX Theater Attendance	#	200,000.0	144,774.0	149,744.0	223,938.0	210,000.0
Revenue per Visitor Generated by IMAX Theater	#	5.0	5.3	5.7	5.0	5.0
Financial						
Earn Revenue Through Museum Store Sales						
Historic House Revenue Generation	$	42,000	29,220	33,440	23,000	37,950
Financial Support for Aquarium						
Revenue per Visitor Generated at the Aquarium Store	#	2.0	1.9	1.7	1.9	2.0
Revenue per Visitor Generated by Aquarium Admissions	#	5.7	5.2	5.1	5.0	5.2
Revenue per Visitor Generated by Membership Sales	#	100.0	86.4	85.5	95.0	98.0
Learning & Growth						
Curriculum Programs for Historic Homes to Students						
Historic House Program Participation	#	10,000.0	5,425.0	3,879.0	2,500.0	5,000.0

Major Changes

In total, the Department of Museums' operating budget decreased by $210,082 and net of 0.48 FTEs compared to the adjusted FY 2009-10 operating budget

Change	Impact
Opening of the Restless Planet Exhibit in November 2009	• The Restless Planet exhibits provide an additional 110,000 gallons of new aquariums in four habitats that cover 12,000 square feet of exhibit space. • The Aquarium added over 6,000 new animals and 300 different species to its collection. • Since the opening on November 21, 2009, attendance has increased 48% over the same period in FY 2008-09. • Admissions and IMAX pricing was adjusted during FY 2009-10 to account for the additional experiences opening for guests. Revenue from admissions is projected to be 32% higher in FY 2010-11 than FY 2008-09.
Opening of the Princess Anne County Training School/Union Kempsville High School Museum	• The City is partnering with the School system to provide this new museum experience. The Schools are providing the facility, maintenance and custodial services and the City is providing staffing and operating support for the new museum. This is fully funded in FY 2010-11. • An additional 1.0 part-time Museum Educator FTE was added in January 2010 to support this program (the adjusted FY 2009-10 budget shows only a 0.5 FTE increase for the partial year). • Attendance for the partial year for FY 2009-10 is estimated to be 2,500; it is projected to be 7,000 for FY 2010-11.
Reductions to Historic House and History Museums Programming	• A total of 0.98 part time FTEs were eliminated from the Historic House Museums. In addition, the Aquarium and Historic Houses are sharing 2 positions to adjust to reduced funding, which represents an additional reduction of 1.25 FTEs (a total reduction of 2.23 FTEs from this program). • Staffing for historic programming will be reduced almost 22% in FY 2010-11 compared to the adjusted FY 2009-10 budget. • The impact of these staffing reductions will be reduced hours and programming at the Historic Houses. Hours had been reduced mid-year in FY 2009-10, effectively closing the facilities during the week between November and March, to accommodate previous program reductions and sporadic attendance.
Virginia Beach Historic Register Reductions	• Elimination of contractual staffing and operating funds to support the Historic Register. This program will no longer be staffed by the City.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

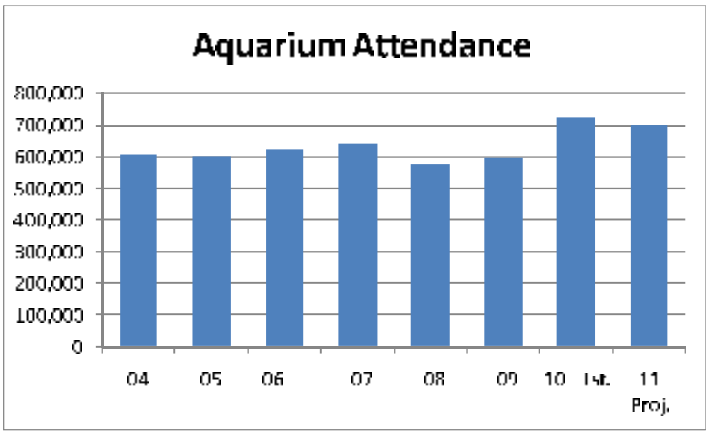
The services provided by the Department of Museums are divided between the Virginia Aquarium & Marine Science Center (Aquarium) and Historic Preservation which oversees the City's Historic Houses and programming. Both the Aquarium and the Historic Houses generate revenue through ticket sales, memberships, store sales and special events. The department relies on the support of private citizens as volunteers, board members and donors.

- **The Virginia Aquarium & Marine Science Center (Aquarium) -** Houses a 3D IMAX® Theater and over 800,000 gallons of aquariums featuring sharks, harbor seals, river otters and a host of other regionally indigenous plant life and animals. Restless Planet, the Aquarium's $28 million renovation of its 20 year old galleries was completed in November 2009 and features extensive additions to the exhibits, which represent Virginia's environment at various periods of time,

including a forty foot, 100,000 gallon walk through Aquarium, a misty peat swamp, an arid coastal desert and volcanic region.

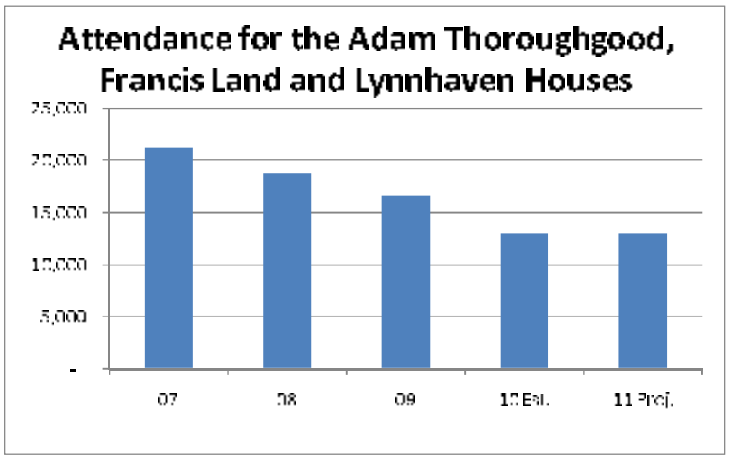
- **Historic Preservation** - Includes the operation of the Francis Land House, the Adam Thoroughgood House, the Lynnhaven House, and the newly opened Princess Anne County Training School/Union Kempsville High School Museum located in the Renaissance Academy. The Historic Preservation division works to identify appropriate properties for historic preservation as well as to provide educational activities on the grounds of the various homes it operates. The division also administers grants to the Atlantic Wildfowl Heritage Museum at the DeWitt Cottage and the Old Coast Guard Station Museum, and helps coordinate the work of the Historic Preservation Commission.

Trends and Issues



- The Department of Museums has been impacted by the effects of the economy. Overall, estimated revenues supporting Museums programming decreased from an estimated $8.68 million in FY 2009-10 to $8.36 million in FY 2010-11. This decrease represents the net impact of the delayed opening of the IMAX 4-D Theater, decreased revenues at the historic houses and an anticipated increase in attendance, sales and ticket prices at the Aquarium in conjunction with the opening of the Restless Planet Exhibit. The Virginia Aquarium has experienced significant increases in attendance since the much anticipated opening of the Restless Planet Exhibit in November 2009 and is anticipating the increased attendance and related sales to continue into FY 2010-11. In contrast however, the Historic programs have endured decreased attendance and sales. The total estimated revenue from attendance, special events and gift shop sales is down over 17%; however, that includes additional revenue from the opening of the new museum. Without that new revenue, historic programming is anticipating 29% less revenue in FY 2010-11 compared to last year.

- During FY 2010-11, the current Interactive Theater located in the Virginia Aquarium's Marsh Pavilion may be retrofitted to accommodate a 4-D Theater that will target younger audiences with films that include 3-D film projection and 4-D special effects. A December opening would capture holiday crowds.

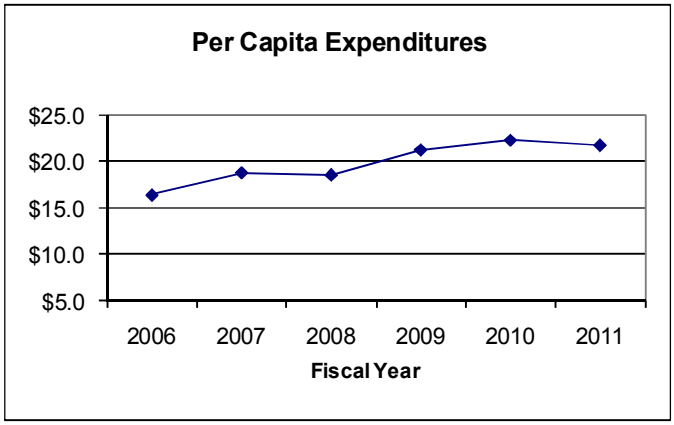


- Historically, attendance at the Aquarium had averaged about 600,000 visitors annually. A decrease in attendance can be noticed in FY 2008-09 when several exhibit areas were unavailable due to the renovation. As the graph illustrates, attendance at the Virginia Aquarium is anticipated to hit a record 725,000 visitors in FY 2009-10 due to the Restless Planet opening, and level off to 700,000 beginning in FY 2010-11.

- The Adam Thoroughgood House, a National Historic Landmark, remains closed to the public at least through April 30, 2010 to complete rehabilitation and repairs that were partially funded through a Save America's Treasures grant administered by the National Park Service.

- During FY 2009 10, the Historic House Museums implemented a winter hours schedule from November through March. The Francis Land House is open on Saturdays between 9:00 a.m. and 5:00 p.m. and on Sundays from noon to 5:00 p.m. The Lynnhaven House is open on Saturdays between 10:00 a.m. and 4:00 p.m. and on Sundays from noon until 4:00 p.m. This reduced schedule of hours will likely be extended one month earlier in the fall and one month later in the spring due to staffing reductions.

- As the per capita expenditure graph indicates, Museums has experienced significant increases since FY 2007 08 in anticipation of the Restless Planet renovation. The decrease in FY 2010 11 is primarily attributable to a delay in retrofitting the theater in the Marsh Pavilion to accommodate a 4-D IMAX Theater. A full year of revenue had been estimated in FY 2009 10; however, the new theater would not be completed until mid fiscal year, so only six months of revenue was estimated for FY 2010 11.



- A Virginia Coastal Resources grant for the Stranding Center is budgeted as a recurring grant.

Museums - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Aquarium and Marine Science Center	1,553,669	1,558,349	1,660,969	102,620
Gift Shop	838,804	1,058,280	1,061,625	3,345
Custodial Services	343,002	343,059	327,103	(15,956)
IMAX Theater	815,373	1,115,532	834,660	(280,872)
Education	506,680	673,348	632,779	(40,569)
Exhibits	1,746,979	1,971,910	2,186,979	215,069
Marketing	734,788	747,483	770,681	23,198
Research and Conservation	334,293	376,268	368,411	(7,857)
IMAX Theater - 4D	0	330,150	200,000	(130,150)
Aquarium Foundation	738,399	815,034	812,743	(2,291)
Francis Land House	49,706	100,173	88,232	(11,941)
Adam Thoroughgood House	94,921	100,639	88,676	(11,963)
Lynnhaven House	55,272	39,588	28,537	(11,051)
Historic Homes Administration	219,004	279,851	246,310	(33,541)
Historic Preservation	119,604	121,525	113,402	(8,123)
Total Expenditures	8,150,494	9,631,189	9,421,107	(210,082)
Revenues				
Aquarium and Marine Science Center	3,536,638	4,418,101	4,626,421	208,320
Gift Shop	1,062,815	1,438,366	1,400,000	(38,366)
IMAX Theater	863,687	1,119,690	1,050,000	(69,690)
IMAX Theater - 4D	0	804,375	400,000	(404,375)
Aquarium Foundation	738,322	805,533	809,644	4,111
Francis Land House	30,139	36,300	25,916	(10,384)
Adam Thoroughgood House	18,157	25,500	17,448	(8,052)
Lynnhaven House	17,146	30,000	21,862	(8,138)
Historic Homes Administration	0	0	10,850	10,850
Historic Preservation	769	0	0	0
Total Revenues	6,267,673	8,677,865	8,362,141	(315,724)
General City Support	1,882,821	953,324	1,058,966	105,642
183 Grants Consolidated Fund				
Expenditures				
Museums - Grants	310	31,000	31,000	0
Total Expenditures	310	31,000	31,000	0
Revenues				
Museums - Grants	7,684	31,000	31,000	0
Total Revenues	7,684	31,000	31,000	0
General City Support	(7,374)	0	0	0
Total Department Expenditure	8,150,804	9,662,189	9,452,107	(210,082)
Total Department Revenue	6,275,357	8,708,865	8,393,141	(315,724)
Total General City Support	1,875,447	953,324	1,058,966	105,642

Position Summary by Program				
002 General Fund				
Aquarium and Marine Science Center	23.77	23.77	27.26	3.49

Museums - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
002 General Fund				
Gift Shop	9.47	9.47	10.22	0.75
Custodial Services	8.50	8.50	7.50	-1.00
IMAX Theater	4.26	4.26	4.58	0.32
Education	17.91	17.91	15.59	-2.32
Exhibits	41.91	42.53	44.53	2.00
Marketing	4.00	4.00	4.00	0.00
Research and Conservation	3.80	3.80	3.81	0.01
Aquarium Foundation	27.94	27.94	25.94	-2.00
Francis Land House	2.05	2.05	1.88	-0.17
Adam Thoroughgood House	2.25	2.25	1.72	-0.53
Lynnhaven House	1.95	0.95	0.67	-0.28
Historic Homes Administration	4.00	4.50	3.75	-0.75
Total	151.81	151.93	151.45	-0.48
Total Position Summary	151.81	151.93	151.45	-0.48

Parks and Recreation - Departmental Performance Report

Parks and Recreation

The mission of the Department of Parks and Recreation is to provide a balanced, sustainable, and value-focused system of parks, recreation, and public spaces that creates a sense of community. The Department's mission is to: Deliver parks, recreation programs and public spaces that reflect the priorities of our community; Support tiered levels of service that recognize the diverse needs of our community; and Focus on sustainability of core programs, services and facilities through efficient business practices.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Community						
Provide Landscape Maintenace for Divided Highways						
Average Mowing Frequency for Divided Roadways (days)	#	18.0	17.0	18.0	18.0	23.0
Customer						
Enhance Citizens' Access to Natural Areas						
Open Space Acres Acquired	#	53.5	18.6	18.2	101.0	820.0
Enhance Service Delivery						
Value of Sponsorships and Donations	$	120,000	68,972	57,374	120,000	120,000
Involve the Public in Litter Awareness and Control						
Value of Volunteers (in thousands)	$	1,973	1,936	1,794	1,973	1,973
Maintain Citizen Satisfaction Rating of 95%						
Citizens Satisfied with Recreation Centers, Programs and Classes	%	95.0	94.0	95.2	95.2	94.0
Percent of Citizens Satisfied with Parks	%	95.0	92.8	93.2	93.2	92.5
Provide Safe, Functional & Attractive Facilities						
Number of Parks Visits (in thousands)	#	2,650.0	2,961.0	2,631.0	2,650.0	2,700.0
Recreation Center Memberships	#	42,000.0	41,328.0	42,559.0	40,208.0	42,559.0
Quality Managed & Maintained Golf Courses						
Rounds of 18 Hole Equivalents	#	83,000.0	77,319.0	62,280.0	83,000.0	83,000.0

Major Changes

In total, the department's budget reflects a net reduction of 16.79 positions in the FY 2010-11 operating budget. Parks and Recreation eliminated 17.75 positions, offset by a .96 increase in positions, and almost entirely in Golf Courses through an increase in part-time hours worked. The Parks and Recreation's budget will decrease 3.4% from the adjusted FY 2009-10, or $1,765,336.

Change	Impact
Reduction in Mowing Cycles	• Lengthening the mowing cycle for divided highways, parks, and municipal buildings from 18 to 23 days; the resort area from 12 to 14; and the municipal center from 7 to 10. There will also be a 72% reduction in the replacement of plant materials and flowering annuals in the resort area.
Reduction in Golf Staffing	• Reduced application of fertilizer and chemicals and irrigation repair, which may result in more weeds and disease, resulting in decreased quality of turf and rounds played.
Reduction in Athletic Staffing at Ball Fields and Recreation Centers	• .68 positions will be eliminated, which may result in increased complaints from teams, and reduce score-keeping ability.
Eliminate Position at Princess Anne Athletic Complex	• The remaining position will focus on operations rather than potentially maximizing revenues during the shoulder season.
Elimination of Summer Sport Camps	• The department will still offer regular camps. However, it will eliminate most sports camps such as football, basketball, softball, racquetball, and soccer (210 children, representing 7.4% of total registration for camps). These are not as cost effective and are offered elsewhere in the community.
Elimination of Marketing for Community Events	• Advertisements for community based, free events, which do not generate revenue, but benefits citizens/provide community spirit, will be eliminated.
Reduction in Part-Time Staffing for Therapeutic Recreation	• This reduction will not affect current patrons (160), but it will affect the ability to address increases in demand.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

Funding for the department comes primarily through fees, a dedicated general fund transfer from referendum financing, a non-dedicated general fund transfer, a revenue transfer from Schools (for maintaining landscaping of School facilities), and use of fund balance. The core services provided by Parks and Recreation are divided into five broad areas:

- **Administration and Business Systems** - Responsible for budgeting, finance, human resources, marketing, resource development, sponsorships, partnerships, and information systems management for all divisions

- **Planning, Design and Development** - Manages the construction and replacement of Parks and Recreation facilities, the City's Open Space Program, and implements the Virginia Beach Outdoors Plan

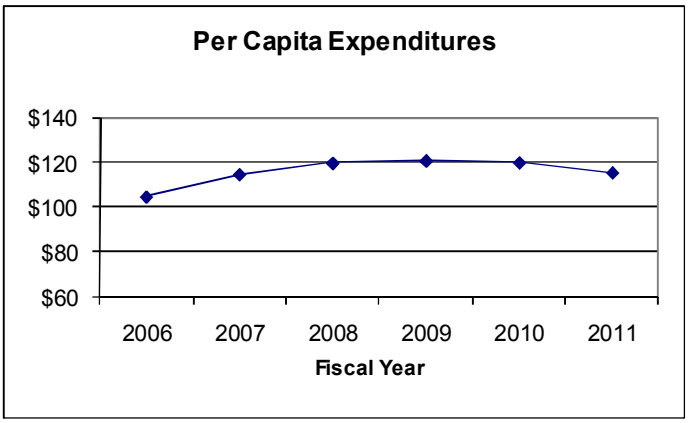
- **Programming and Operations** - Includes all indoor and outdoor recreation and park operations and programs, the Youth Opportunities Office, Out-of-School Time programs, therapeutic recreation and inclusion services for people with disabilities.

- **Landscape Management** – Provides landscape services for all public infrastructure, including roadways, public buildings, including the municipal center, the resort area, Town Center, public spaces, parks and School sites.

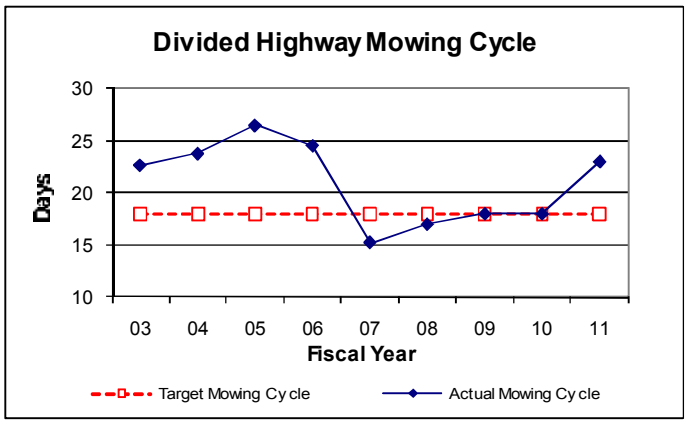
- **Golf Course Operations and Services** - Manages the four municipal golf courses: Red Wing Lake, Kempsville Greens and Bow Creek are operated by the City; Stumpy Lake is operated through a lease agreement.

Trends and Issues

- Per capita expenditures will decrease 3.7% from FY 2009 10, and decreased 1.2% over the last three years. This reflects a moderation in both revenues generated from charges as well as the real estate tax dedicated to the recreation centers.



- The Divided Highway Mowing Cycle graph illustrates the historical trend in the landscape maintenance of divided highways. The modest annual increases in the landscape management budget had not kept pace with the cost of maintaining divided roadways. The increase in contractual maintenance in FY 2006 07 had a dramatic positive effect. The average number of days between mowing cycles dropped to 15.25 in FY 2007 from 24.52 the previous year. The division's goal is not to exceed an 18 day mowing cycle. Due to the recessionary impact of the budget, the mowing cycles will revert to those experienced in FY 2005 06, now extended to 23 days.



- Golf course operations will experience a net reduction of 4.52 positions (5.4 positions were reduced while 0.88 were increased). The reduction is revenue driven. The rounds of golf played have declined on the City's public courses (and staff report the rounds played on private courses were down as well). The deteriorating economy could serve as one explanation for the decline, but an oversupply of local golf courses combined with a general downward trend in the sport of golfing could represent contributing factors as well. The courses are required to generate sufficient revenue to cover operating costs, but not capital maintenance. Supervisors will perform additional labor duties; staff will adjust hours to meet demand and reschedule maintenance activities; and use more volunteers to perform starter responsibilities of ensuring golfers have paid and spacing golfers off the tee. The impacts that could be visible include: reduced application of fertilizer and chemicals and irrigation repair, which may result in more weeds and disease, resulting in decreased quality of turf and rounds played. The Golf Course Special Revenue fund will be merged into the Parks and Recreation Special Revenue Fund, which overall have more financial capacity to potentially fund the capital maintenance.

- The department reduced $194,411 from various supply accounts in the recreation centers, Owl Creek Tennis Center, ball field lighting and maintenance, training accounts, police overtime and dumpster service. The collective impacts could be a reduction in revenue in out years; use of equipment beyond its ideal useful life; reduced practice times for teams while lighting repairs are being made; slower repairs to minor cracks in the courts at the Owl Creek Tennis Center; a 44% reduction in off duty Police/Deputy Sheriffs to address traffic congestion during peak times at Little Island Park and large special events such as evening softball; a 25% reduction in the number of dumpsters at Princess Anne Athletic Complex during the peak season, which could result in overflowing dumpsters; and department wide reduction in professional development and training.

- Efficiency Savings: The department will eliminate 1.5 positions in administration. One position is being eliminated as the result of increased usage of procurement cards while still maintaining purchasing integrity. Staff is no longer required to submit requisitions, wait for a purchase order, receive the materials, and then submit paperwork to the Finance Department to enter the payment. With 112 procurement cards distributed throughout the department, staff now purchase supplies with these cards and reconcile the charge statements on a monthly basis. A half of one position is being eliminated through a consolidated recruitment and hiring process, but it may also result in inadequate part-time staffing levels for parks, golf courses, and swimming pools at the beginning of the summer season.

- The department provided before and after School programs and summer camps to 5,468 youth at fifty six elementary Schools and seven middle Schools last year.

- Western Bayside Summer Youth Program: Initiated by City Council in FY 2008 09, this program provides summer programs for youth in the Lake Edward/Western Bayside area. Last Year, 100 youth participated in specialized developmental and enrichment programs. The FY 2010 11 budget continues funding for this program and will until a permanent recreation center can be provided in this area.

- The department annually reviews its fee structure to ensure appropriate pricing of services and that citizens are getting the most value for their dollars. The following fee table shows the increases proposed for FY 2010 11.

Fee Increase Schedule

Name of Fee	Current Amount	FY 2011 Proposed Amount	Date of Last Increase
Recreation Center Memberships:			
Adult – annual	$66	$72	FY 2009
Adult – 6 month	$40	$44	FY 2009
Senior – annual	$53	$58	FY 2009
Senior – 6 month	$32	$35	FY 2009
Youth – annual	$27	$29	FY 2009
Youth – 6 month	$18	$19	FY 2009
Child – annual	$24	$26	FY 2009
Child – 6 month	$13	$16	FY 2009
Out of School Time Programs:			
KidzQuest – After School	$79 bi-weekly	$84 bi-weekly	FY 2008
KidzQuest After School – RISE (Title I Schools)	0	$42	New Fee
Middle School Before School	$42 bi weekly	$52 bi weekly	FY 2007
Recreation Centers After School	$118 bi weekly	$123 bi weekly	FY 2009
Athletics:			
Youth Sports Participation	$5 per child	$100-$200 per team	FY 2009
Aquatics:			
Class Fees	Various classes raised by $3 per class		FY 2006

Council Amendment

On May 11, 2010, City Council voted to restore the rural mowing cycle ($58,185) to every 30 days rather than twice during the mowing season.

Parks and Recreation - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Asset Management	3,217,083	3,741,751	3,106,754	(634,997)
Maintenance Management	4,625,641	4,583,120	4,511,761	(71,359)
Life Cycle Management	3,619,275	2,952,924	2,912,236	(40,688)
Special Zone Management - Resort Area	1,355,138	1,754,527	1,342,228	(412,299)
Special Zones Management - Municipal Center	0	658,902	595,378	(63,524)
Total Expenditures	12,817,137	13,691,224	12,468,357	(1,222,867)
Revenues				
Asset Management	336,185	395,954	350,128	(45,826)
Maintenance Management	20,805	0	0	0
Life Cycle Management	2,600	3,500	3,500	0
Special Zone Management - Resort Area	15,000	15,000	15,000	0
Total Revenues	374,590	414,454	368,628	(45,826)
General City Support	12,442,547	13,276,770	12,099,729	(1,177,041)
151 Parks and Recreation Special Revenue Fund				
Expenditures				
Director's Office	289,454	317,034	302,059	(14,975)
Planning, Design and Development	620,814	570,985	586,061	15,076
Business Systems	937,617	975,178	885,444	(89,734)
Parks and Recreation Human Resources	368,976	638,115	481,891	(156,224)
Parks and Natural Areas	2,055,789	2,208,861	1,900,158	(308,703)
Lynnhaven Boat Ramp and Beach Facility	122,580	122,478	133,220	10,742
Programming	273,355	667,397	637,004	(30,393)
Sportsplex Operations	314,895	0	0	0
Little Island Park	0	0	235,614	235,614
Owl Creek Municipal Tennis Center	423,081	420,764	453,364	32,600
Recreation Centers Landscaping	95,994	86,079	81,487	(4,592)
Golf Administration	248,264	277,032	330,974	53,942
Red Wing Golf Course	796,442	851,828	827,926	(23,902)
Bow Creek Golf Course	557,109	622,177	560,923	(61,254)
Kempsville Greens Golf Course	655,739	735,154	610,046	(125,108)
CRC - Kempsville	2,063,577	2,439,981	2,402,633	(37,348)
CRC - Bow Creek	1,306,698	1,516,334	1,506,432	(9,902)
Seatack Community Center	821,554	1,085,971	1,048,013	(37,958)
CRC - Great Neck	1,805,445	1,978,608	1,862,381	(116,227)
CRC - Bayside	1,851,370	2,133,665	2,163,868	30,203
CRC - Princess Anne	2,087,914	2,245,179	2,286,310	41,131
Programming and Operations Administration	396,898	448,471	453,222	4,751
Resource Development	836,949	887,858	884,083	(3,775)
Youth Opportunities Office	466,253	175,509	206,737	31,228
Athletics	1,003,512	931,751	938,901	7,150
Therapeutic Program	0	292,919	498,808	205,889
Athletic Complex	251,755	269,385	264,066	(5,319)
Inclusion Services	255,751	282,170	291,670	9,500
Out-of-Schoool Time	5,349,387	4,504,451	4,470,279	(34,172)
USFHA Field Hockey Training Center	69,777	0	0	0
Special Zone Management - Princess Anne Athletic Complex	399,504	528,852	472,475	(56,377)
Reserve for Contingencies	0	142,545	0	(142,545)
Transfer to Other Funds	349,042	289,550	302,003	12,453
Total Expenditures	27,075,495	28,646,281	28,078,052	(568,229)

Parks and Recreation - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
151 Parks and Recreation Special Revenue Fund				
Revenues				
Director's Office	190,445	267,056	0	(267,056)
Business Systems	13,281,970	13,406,032	12,990,579	(415,453)
Parks and Natural Areas	420,782	493,855	384,855	(109,000)
Lynnhaven Boat Ramp and Beach Facility	167,707	161,500	193,000	31,500
Programming	37,162	30,000	100,500	70,500
Sportsplex Operations	375,629	0	0	0
Little Island Park	0	0	174,500	174,500
Owl Creek Municipal Tennis Center	395,308	330,169	410,169	80,000
Golf Administration	250,527	169,220	189,000	19,780
Red Wing Golf Course	936,624	1,203,184	1,041,150	(162,034)
Bow Creek Golf Course	555,344	704,392	607,228	(97,164)
Kempsville Greens Golf Course	515,059	757,988	543,012	(214,976)
CRC - Kempsville	1,206,407	1,139,999	1,248,055	108,056
CRC - Bow Creek	421,050	463,963	437,738	(26,225)
Seatack Community Center	252,708	285,851	286,371	520
CRC - Great Neck	923,179	1,028,917	977,370	(51,547)
CRC - Bayside	963,242	954,035	1,004,921	50,886
CRC - Princess Anne	1,268,433	1,335,463	1,362,045	26,582
Programming and Operations Administration	93,675	0	0	0
Youth Opportunities Office	2,900	1,900	1,500	(400)
Athletics	409,178	409,455	389,325	(20,130)
Therapeutic Program	0	5,400	99,711	94,311
Athletic Complex	114,439	223,000	200,000	(23,000)
Out-of-Schoool Time	5,417,176	5,242,702	5,437,023	194,321
USFHA Field Hockey Training Center	37,312	32,200	0	(32,200)
Transfer to Other Funds	289,550	0	0	0
Total Revenues	28,525,806	28,646,281	28,078,052	(568,229)
General City Support	(1,450,311)	0	0	0
152 Tourism Growth Investment Fund				
Expenditures				
Special Zone Management - TGIF Resort Area	31,930	33,210	33,343	133
Total Expenditures	31,930	33,210	33,343	133
Revenues				
Special Zone Management - TGIF Resort Area	31,930	33,210	33,343	133
Total Revenues	31,930	33,210	33,343	133
General City Support	0	0	0	0

Parks and Recreation - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
172 Open Space Special Revenue Fund				
Expenditures				
Open Space Management and Maintenance	186,625	313,156	316,532	3,376
Open Space Planning	143,240	93,246	147,717	54,471
Transfer to Other Funds	4,918,029	4,898,134	4,815,861	(82,273)
Total Expenditures	5,247,894	5,304,536	5,280,110	(24,426)
Revenues				
Open Space Management and Maintenance	3,954,794	3,969,956	3,839,743	(130,213)
Reserve for Contingencies	0	1,234,169	1,402,405	168,236
Future C.I.P. Commitments	0	100,411	37,962	(62,449)
Transfer to Other Funds	1,293,100	0	0	0
Total Revenues	5,247,894	5,304,536	5,280,110	(24,426)
General City Support	0	0	0	0
174 Town Center Special Service District				
Expenditures				
Special Zone Management - Town Center	38,337	40,000	53,000	13,000
Total Expenditures	38,337	40,000	53,000	13,000
Revenues				
Special Zone Management - Town Center	38,337	40,000	53,000	13,000
Total Revenues	38,337	40,000	53,000	13,000
General City Support	0	0	0	0
613 School Landscaping Internal Service Fund				
Expenditures				
Schools Landscaping	3,719,869	3,858,991	3,891,894	32,903
Reserve for Contingencies	0	10,465	0	(10,465)
Total Expenditures	3,719,869	3,869,456	3,891,894	22,438
Revenues				
Schools Landscaping	3,889,888	3,869,456	3,891,894	22,438
Total Revenues	3,889,888	3,869,456	3,891,894	22,438
General City Support	(170,019)	0	0	0
908 City Beautification Fund				
Expenditures				
Beautification Projects	32,790	20,400	30,000	9,600
Total Expenditures	32,790	20,400	30,000	9,600
Revenues				
Beautification Projects	32,790	20,400	30,000	9,600
Total Revenues	32,790	20,400	30,000	9,600
General City Support	0	0	0	0

Parks and Recreation - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
911 Parks and Recreation Gift Fund				
Expenditures				
Parks and Recreation Gift Fund	2,302	30,600	30,000	(600)
Sponsorships / Partnerships	50,601	61,200	125,000	63,800
Total Expenditures	52,903	91,800	155,000	63,200
Revenues				
Parks and Recreation Gift Fund	8,464	30,600	30,000	(600)
Sponsorships / Partnerships	48,909	61,200	125,000	63,800
Total Revenues	57,373	91,800	155,000	63,200
General City Support	(4,470)	0	0	0
Total Department Expenditure	49,016,355	51,696,907	49,989,756	(1,707,151)
Total Department Revenue	38,198,608	38,420,137	37,890,027	(530,110)
Total General City Support	10,817,747	13,276,770	12,099,729	(1,177,041)

Position Summary by Program

002 General Fund				
Asset Management	17.00	27.00	24.00	-3.00
Maintenance Management	88.00	81.00	81.00	0.00
Life Cycle Management	60.00	42.00	40.00	-2.00
Special Zone Management - Resort Area	20.00	20.00	20.00	0.00
Special Zones Management - Municipal Center	0.00	15.00	14.00	-1.00
Total	185.00	185.00	179.00	-6.00
151 Parks and Recreation Special Revenue Fund				
Director's Office	2.00	2.00	2.00	0.00
Planning, Design and Development	7.00	7.00	7.00	0.00
Business Systems	13.00	12.00	11.00	-1.00
Parks and Recreation Human Resources	5.72	8.22	7.72	-0.50
Parks and Natural Areas	57.81	57.20	48.72	-8.48
Lynnhaven Boat Ramp and Beach Facility	4.40	4.40	4.40	0.00
Programming	4.65	10.61	10.61	0.00
Sportsplex Operations	2.00	0.00	0.00	0.00
Little Island Park	0.00	0.00	7.48	7.48
Owl Creek Municipal Tennis Center	3.36	3.36	3.36	0.00
Golf Administration	3.00	3.00	3.00	0.00
Red Wing Golf Course	12.52	12.52	11.12	-1.40
Bow Creek Golf Course	9.15	9.15	8.53	-0.62
Kempsville Greens Golf Course	11.65	11.65	9.15	-2.50
CRC - Kempsville	51.76	57.31	56.01	-1.30
CRC - Bow Creek	37.42	37.75	37.75	0.00
Seatack Community Center	24.77	26.08	26.08	0.00
CRC - Great Neck	48.89	47.54	45.29	-2.25
CRC - Bayside	50.66	49.97	50.57	0.60
CRC - Princess Anne	53.69	53.13	54.53	1.40
Programming and Operations Administration	5.00	5.00	6.26	1.26
Resource Development	6.00	7.00	7.00	0.00
Youth Opportunities Office	8.00	2.00	2.00	0.00

Parks and Recreation - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
151 Parks and Recreation Special Revenue Fund				
Athletics	13.67	13.67	13.05	-0.62
Therapeutic Program	0.00	5.00	13.90	8.90
Athletic Complex	5.24	6.24	6.32	0.08
Inclusion Services	11.39	10.39	10.39	0.00
Out-of-Schoool Time	152.00	141.57	129.73	-11.84
USFHA Field Hockey Training Center	1.00	0.00	0.00	0.00
Special Zone Management - Princess Anne Athletic Complex	8.00	8.00	7.00	-1.00
Total	613.75	611.76	599.97	-11.79
152 Tourism Growth Investment Fund				
Special Zone Management - TGIF Resort Area	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00
172 Open Space Special Revenue Fund				
Open Space Management and Maintenance	5.40	5.40	5.40	0.00
Open Space Planning	1.00	1.00	2.00	1.00
Total	6.40	6.40	7.40	1.00
613 School Landscaping Internal Service Fund				
Schools Landscaping	69.00	68.00	68.00	0.00
Total	69.00	68.00	68.00	0.00
Total Position Summary	875.15	872.16	855.37	-16.79

Resource Summary Notes

The maintenance expenditures for the recreation centers are reflected in the Public Works department. The centralized provision of maintenance through Public Works improves efficiency. The dedicated real estate tax for recreation centers supports this expenditure.

Education - Departmental Performance Report

Education						
The mission of the Virginia Beach City Public Schools, in partnership with the entire community, will empower every student to become a life-long learner who is a responsible, productive and engaged citizen within the global community.						
Objective/Performance Measure	**Unit**	**Annual Target**	**Actual 2008**	**Actual 2009**	**Est. 2010**	**Proj. FY 2011**
Customer						
Create Opportunities for Involvement by the Community						
State Composite Index (Local Ability to Pay)	#	40.6	37.0	37.0	37.0	40.6
Student Enrollment	#	67,858.0	70,682.0	69,688.0	68,807.0	67,858.0
Engage Students Using Innovative Practices and Technology						
Students in Gifted Programs	%	12.0	12.1	12.3	12.0	12.0
Students in Special Education Programs	%	14.0	11.7	11.5	14.0	14.0
Total Per-Pupil Expenditure	$	11,789	10,796	11,071	12,116	11,789
Implement a Balanced Assessment System						
Average Math SAT Scores	#	512.0	510.0	511.0	511.0	511.0
Average Verbal SAT Scores	#	511.0	500.0	503.0	506.0	506.0
Average Writing SAT Scores	#	498.0	484.0	486.0	488.0	488.0
Learning & Growth						
Developing Teacher and Staff Competencies						
Average Salary of Virginia Beach Teachers	$	51,671	50,567	51,671	51,671	51,671

Major Changes

The Virginia Beach City Public Schools (VBCPS) budget for FY 2010-11 totals $769.2 million, a decrease of $64.4 million or 7.7%. Due to the delay in the adoption of the State budget, the Schools were required to adopt their budget without the knowledge of the final outcome of the State budget. The Schools decided to take the worst case scenario and adopt their budget based on the version of the State budget in the Virginia House of Delegates. The House's proposed budget will decrease revenue to the Schools by approximately $35.8 million from the Superintendent's Estimate of Needs. In order to compensate for this reduction in revenues, a "State Adjustment" in this amount is included in the School's operating budget. This adjustment reduces revenues and expenditures by $35.8 million and will allow time for the impacts of the State budget to be analyzed so that a complete picture of School revenues will be known and final adjustments can be made during May.

The budget for the Schools was prepared based on the latest information available at the time regarding the State budget. It will be adjusted once the State budget is finalized, with the adjustments discussed with City Council during the budget workshop scheduled for April 27th. Due to the impacts of the anticipated reduction in funding from the State, the two major changes that will directly impact students are listed below:

Change	Impact
Enforce the High School Class Size Floor • This will increase the minimum number of students that must register for a class to 16 before the class is approved • Reduction of $2.85 million	• Could reduce the number of high school teachers • Will reduce the number and variety of classes available to high school students • This will be limited to elective courses and not core courses that students must have to graduate • Distance learning and the sharing of teachers between Schools are being explored as alternatives
Class Size Adjustment – Grades Four and Five • This will increase the student to teacher ratio in 4th and 5th grade classrooms from 25 to 26 students • Reduction of $2.0 million	• Reduce 30 positions – plan to accomplish through attrition or retirements if possible • No impact on instructional quality is anticipated

There is a net increase of 19.9 School positions as 79.5 FTE's were added in the School Grants Fund. All of these positions are directly related to Federal ARRA funding for Title I programs and Title V-B programs that were granted to the School system last year and these funds will be used to place teaching aides and assistants in the classroom for one year. Although, there is a net increase in positions, the School system is reducing 56.6 FTE's in their operating budget and an additional 3.0 FTE's in the other School funds due to continued declines in enrollment and the class size adjustment for 4th and 5th grades.

Departmental Overview

The VBCPS has an elected eleven member board that has the overall responsibility to ensure that the activities of the 81 public schools (56 elementary, 14 middle, and 11 high schools) are conducted according to law and with the upmost efficiency. The Superintendent, appointed by the School Board, oversees the programming and operations of the School system.

The VBCPS receives funding from the City, the State, and the Federal government. The City and Schools have a revenue sharing policy that allocates seven major revenues between the City and the Schools. This policy is agreed to by the City Council and School Board and accounts for 47.4% of the total School operating budget for FY 2010-11. A brief history of the revenue allocated to the School system through the revenue sharing formula and required usage is shown below:

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Revenue Sharing Formula Total	$ 390,381,435	$ 394,330,115	$ 379,391,780	$ 365,762,238
CIP Pay-As-You-Go	12,108,658	13,936,308	-	-
Debt Service	41,402,094	41,154,429	44,183,674	43,859,978
School Budget	**$ 336,870,683**	**$ 339,239,378**	**$ 335,208,106**	**$ 321,902,260**

As you can see from the table, the revenue available to the Schools through the revenue sharing formula fell $13.3 million or 4.0% from FY 2009-10 to FY 2010-11. Debt service and any funds that the School chooses to allocate to their Capital Improvement Program (CIP) are deducted and the remaining balance is transferred to the Schools for operating expenditures. The funding formula policy requires that at least $1.0 million be allocated for pay-as-you-go funding for the Schools CIP; however, due to the current state of the economy, the Schools have decided to utilize all of the funding that is available for the operating budget.

State funding for the School operating budget is divided between Basic Aid and State Share Sales Tax. These funds are distributed to School systems throughout the Commonwealth based on the composite index. This index is designed by the State to measure a locality's ability to support education services. An increase in the composite index indicates an increased ability to pay for educational programs and therefore a reduction in State support. The composite index for Virginia Beach rose from 37.04 to 40.60. However, the General Assembly, in its adopted budget, included a provision that holds harmless communities in FY 2011, but only provides 50% of these hold harmless funds in FY 2012. Due to this reliance on the State for funding, the State budget becomes a critical piece in determining the delivery of educational programs and services.

The School system's operating budget is divided into the following divisions:

- **Instruction** - Operates the City's elementary, middle, and secondary schools as well as special programs such as vocational education; gifted and talented programs; special education; summer school; technology; media services; and adult education.

- **Administration, Attendance, and Health** - Includes the support to the School Board; financial operations; the School's Internal Auditor; human resources; School nurses, and the City/School Consolidated Benefits Office.

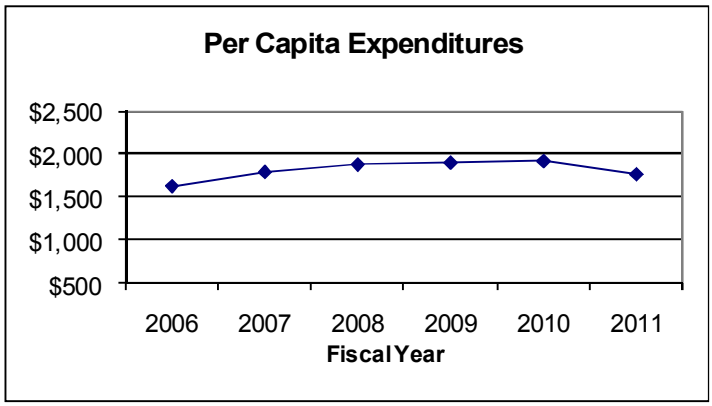
- **Pupil Transportation** - Provides funding for the maintenance and operation of the School bus fleet.

- **Operations and Maintenance** - Covers the custodial services; telecommunications; technology maintenance; utility and maintenance costs for the School buildings; and the construction management for School modernization and replacement projects.

- In addition to the Schools operating fund, the other major fund for School activities is the Grants Fund which includes all State and Federal grants awarded to the Schools. It also includes all Federal and State stimulus funds that are awarded to VBCPS.

- All other funds represent different activities where the Schools collect revenue to balance against expenses such as the Cafeteria Fund, Textbook Fund (also receives State funding), Athletic Fund, School Vending Machines, etc.

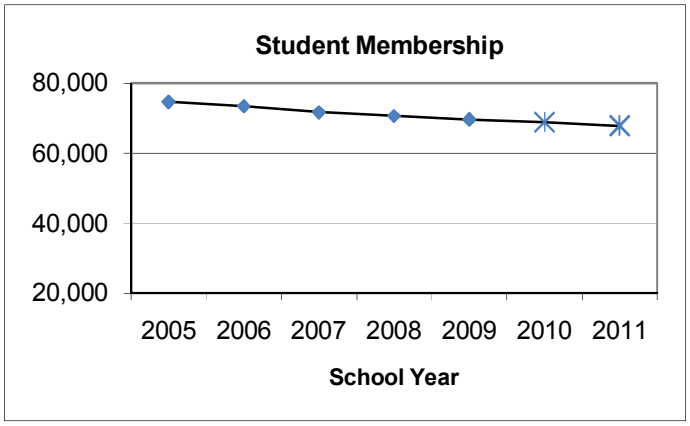
Trends and Issues



- In addition to the enforcement of the High School class floor size and the class size adjustment for 4th and 5th graders, the Schools used a mix of cost cutting measures and revenue strategies to balance their FY 2010-11 budget. The Superintendent's Estimate of Needs included approximately $8.2 million dollars in savings through budgeting for attrition and reduction of staff overtime. An additional $3.0 million in savings will be realized by reducing all non-personnel accounts by 3% and $2.4 in energy and administrative efficiencies. In addition to reductions in spending, the Schools will be using $13.0 million of the $20.3 million balance in the School reserve fund and approximately $2.0 million in remaining Federal stimulus funds. This will exhaust the Federal stimulus money,

which will eliminate this as a possible funding source for the operating budget in future years. These strategies were employed to create little or no impact on students.

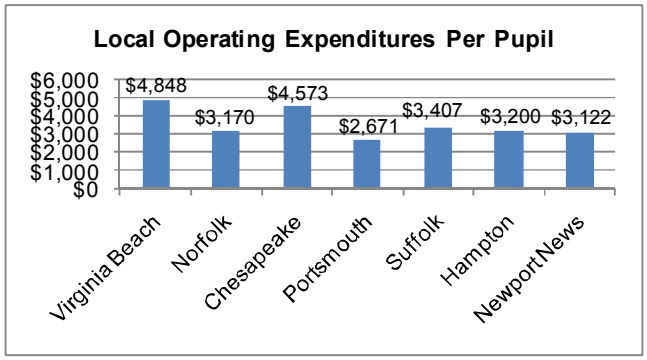
- As the graph on the previous page shows, growth in budgeted expenditures per capita slowed from FY 2005-06 to FY 2008-09 and will decrease in FY 2010-11.



- Student enrollment fell for the 11th year in a row. As the graph on the left shows, enrollment is expected to decline again next school year and this trend is projected to continue through 2018. Though total enrollment is expected to decline until the 2017-18 school year, elementary school enrollment is expected to begin increasing in 2013-14.

*Figures for 2010 and 2011 are Projections

- As the graph on the right shows, the City of Virginia Beach had the highest local operating expenditures per pupil in 2008 (the most recent year for which data is available). Virginia Beach also had the highest local contribution as a percentage of total operating expenditures at 44.9%.



Source: Virginia Department of Education

Council Amendment

On May 11, 2010, City Council amended the FY 2010-11 School budget, increasing the total budget to $825,197,288 (with School-related debt included). At the time the City Manager's recommended budget was presented, the State budget had not yet been adopted; therefore, the Schools did not have complete knowledge of the State revenues that would be allocated to the School System. The adopted State budget included the hold harmless provision for the composite index in FY 2010-11. This helped to increase budgeted revenues in the School's operating budget by $12.1 million and avoid the proposed increase in class size for fourth and fifth grades as well as the adjustment in the floor size for high school classes.

The City Council also redirected $8.8 million in School Reversion funds (held in the City's General Fund Balance) to the City's Capital Improvement Program and increased the transfer from the School Reserve Fund to the School Operating Budget by $8.8 million. The two combined actions kept the School operating budget at the School Board's requested level.

The City Council also changed the School Operating Budget from "lump sum" appropriation to the State authorized categories of Instruction; Administration; Attendance and Health; Pupil Transportation; and, Operations and Maintenance.

Education - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
106 School Technology Category Special Revenue Fund				
Expenditures				
Technology	0	23,747,407	23,346,140	(401,267)
Total Expenditures	0	23,747,407	23,346,140	(401,267)
Revenues				
Technology	0	23,747,407	23,346,140	(401,267)
Total Revenues	0	23,747,407	23,346,140	(401,267)
General City Support	0	0	0	0
107 School Equipment Replacement Special Revenue Fund				
Expenditures				
Reserve for Contingencies	0	653,292	1,784,597	1,131,305
Total Expenditures	0	653,292	1,784,597	1,131,305
Revenues				
Reserve for Contingencies	1,933,960	653,292	1,784,597	1,131,305
Total Revenues	1,933,960	653,292	1,784,597	1,131,305
General City Support	(1,933,960)	0	0	0
108 School Instructional Technology Fund				
Expenditures				
Instructional Technology	7,158,146	2,915,947	2,915,947	0
Total Expenditures	7,158,146	2,915,947	2,915,947	0
Revenues				
Instructional Technology	7,158,146	2,915,947	2,915,947	0
Total Revenues	7,158,146	2,915,947	2,915,947	0
General City Support	0	0	0	0
109 School Vending Operations Fund				
Expenditures				
School Vending Operations	472,376	584,799	570,539	(14,260)
Total Expenditures	472,376	584,799	570,539	(14,260)
Revenues				
School Vending Operations	472,376	584,799	570,539	(14,260)
Total Revenues	472,376	584,799	570,539	(14,260)
General City Support	0	0	0	0
112 School Communication Tower Technology Fund				
Expenditures				
Communication Tower Technology	404,792	560,000	560,000	0
Total Expenditures	404,792	560,000	560,000	0
Revenues				
Communication Tower Technology	404,792	560,000	560,000	0
Total Revenues	404,792	560,000	560,000	0
General City Support	0	0	0	0

Education - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
114 School Cafeteria Fund				
Expenditures				
Food Services	26,084,462	27,479,469	27,240,915	(238,554)
Total Expenditures	26,084,462	27,479,469	27,240,915	(238,554)
Revenues				
Food Services	26,084,462	27,479,469	27,240,915	(238,554)
Total Revenues	26,084,462	27,479,469	27,240,915	(238,554)
General City Support	0	0	0	0
115 School Operating Fund				
Expenditures				
Instruction	524,582,683	526,877,728	499,178,942	(27,698,786)
Administration, Attendance, and Health	19,160,164	22,389,102	21,459,974	(929,128)
Pupil Transportation	33,326,146	30,327,210	29,545,861	(781,349)
Operations and Maintenance	90,159,214	91,770,818	88,975,773	(2,795,045)
Total Expenditures	667,228,207	671,364,858	639,160,550	(32,204,308)
Revenues				
Instruction	710,747,968	697,588,632	639,160,550	(58,428,082)
Technology Adjustment	0	(23,747,407)	0	23,747,407
City Manager Adjustment	0	(2,476,367)	0	2,476,367
Total Revenues	710,747,968	671,364,858	639,160,550	(32,204,308)
General City Support	(43,519,761)	0	0	0
116 School Grants Fund				
Expenditures				
School Grants	33,861,104	92,970,157	74,483,318	(18,486,839)
Total Expenditures	33,861,104	92,970,157	74,483,318	(18,486,839)
Revenues				
School Grants	33,861,104	92,970,157	74,483,318	(18,486,839)
Total Revenues	33,861,104	92,970,157	74,483,318	(18,486,839)
General City Support	0	0	0	0
117 School Textbook Fund				
Expenditures				
Textbook	2,942,922	8,648,337	6,522,370	(2,125,967)
Total Expenditures	2,942,922	8,648,337	6,522,370	(2,125,967)
Revenues				
Textbook	5,650,403	8,648,337	6,522,370	(2,125,967)
Total Revenues	5,650,403	8,648,337	6,522,370	(2,125,967)
General City Support	(2,707,481)	0	0	0

Education - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
119 School Athletic Special Revenue Fund				
Expenditures				
Athletics	4,570,363	4,752,933	4,752,933	0
Total Expenditures	4,570,363	4,752,933	4,752,933	0
Revenues				
Athletics	4,781,862	4,752,933	4,752,933	0
Total Revenues	4,781,862	4,752,933	4,752,933	0
General City Support	(211,499)	0	0	0
Total Department Expenditure	742,722,372	833,677,199	781,337,309	(52,339,890)
Total Department Revenue	791,095,073	833,677,199	781,337,309	(52,339,890)
Total General City Support	(48,372,701)	0	0	0

Position Summary by Program

106 School Technology Category Special Revenue Fund				
Technology	0.00	188.00	186.00	-2.00
Total	0.00	188.00	186.00	-2.00
114 School Cafeteria Fund				
Food Services	0.00	492.89	492.89	0.00
Total	0.00	492.89	492.89	0.00
115 School Operating Fund				
Instruction	10,519.47	7,082.55	7,034.95	-47.60
Administration, Attendance, and Health	0.00	288.30	286.30	-2.00
Pupil Transportation	0.00	667.13	667.13	0.00
Operations and Maintenance	0.00	1,163.50	1,156.50	-7.00
Total	10,519.47	9,201.48	9,144.88	-56.60
116 School Grants Fund				
School Grants	0.00	572.50	651.00	78.50
Total	0.00	572.50	651.00	78.50
117 School Textbook Fund				
Textbook	0.00	1.50	1.50	0.00
Total	0.00	1.50	1.50	0.00
Total Position Summary	10,519.47	10,456.37	10,476.27	19.90

Library - Departmental Performance Report

Library

The mission of the Virginia Beach Public Libraries is to provide diverse opportunities for learning and gathering that promote personal fulfillment, self-reliance and a sense of community, provide free and convenient access to accurate and current information and materials, and to promote reading as a critical life skill and an enjoyable activity for the entire Virginia Beach community.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Customer Access to Information and Materials						
In-Library Material Use	#	83,000.0	80,756.0	72,436.0	82,158.0	78,001.0
Library Materials Circulated - in thousands	#	3,500.0	3,237.0	3,344.0	3,075.0	2,733.0
Reference Question Fill Rate	%	93.0	94.2	91.5	91.5	91.5
Reference Questions	#	450,000.0	379,288.0	514,846.0	457,080.0	401,637.0
Virtual Visitation - in thousands	#	1,850.0	1,173.0	1,321.0	1,453.0	1,598.0
Increase Library Customer Base						
Registered Borrowers	#	225,000.0	207,625.0	215,226.0	215,725.0	200,624.0
Increase the Use of and Satisfaction with Library						
Library Visitation - in thousands	#	2,200.0	1,998.0	1,935.0	2,015.0	1,812.0
Program Attendance	#	92,000.0	85,841.0	86,288.0	68,956.0	70,000.0
Turnover Rate of Library Materials	#	5.0	3.5	3.7	3.4	3.1
Promote Healthy Development & School Readiness						
Number of visitors to the VBParents.com website	#	9,000.0	0.0	0.0	9,000.0	12,000.0
People attending GrowSmart events	#	12,400.0	10,986.0	11,841.0	12,400.0	9,800.0
Provide Customers Access to Legal Resources						
Law Library Walk-in Clients	#	17,000.0	18,190.0	15,467.0	16,624.0	17,450.0
Law Library Website Visits	#	20,000.0	9,512.0	14,583.0	15,312.0	16,070.0
Reference Questions - Law Library	#	21,000.0	20,603.0	18,152.0	19,060.0	20,000.0
Financial						
Enhance Service through Citizen Volunteer Support						
Value of Volunteer Hours	$	354,460	312,700	334,280	334,280	334,280
Volunteer Hours	#	30,000.0	26,544.0	28,292.0	28,292.0	28,292.0
Provide Materials and Information in a Cost Effective Manner						
Expenditures per Capita	$	36	38	37	40	34
Expenditures per Registered Borrower	$	72	79	75	80	68
Internal Process						
Manage all City Records						
Files Retrieved and Refiled	#	25,000.0	19,618.0	24,194.0	23,969.0	24,688.0
Storage Boxes Managed	#	31,727.0	37,850.0	38,264.0	38,556.0	39,713.0

Major Changes

In FY 2010-11, the Virginia Beach Public Libraries budget will decrease by $1,316,621 or 7.8%. The department will also have a reduction of 36.35 FTE's. Some of the major programmatic impacts on the department are summarized below:

Change	Impact
Reduction of Community and Neighborhood Library Hours • 12.5 FTE reduction at the community libraries (Bayside and Special Services, Kempsville, Oceanfront and Princess Anne Area libraries) • 6.5 FTE reduction at the neighborhood libraries (Great Neck, Pungo Blackwater, South Rosemont Youth and Windsor Woods libraries)	• Monday through Thursday, public service hours of operation for these libraries will be reduced from 10:00 a.m. to 9:00 p.m. to 10 a.m. to 7:00 p.m. • Sunday hours will be eliminated at Princess Anne and Kempsville Area libraries. • Programming for children and adults will be drastically reduced. • Special services provided at Bayside Library for the Blind and Physically Handicapped will be eliminated for non-Virginia Beach residents. • Drive thru services (only available at Oceanfront, Princess Anne, and Bayside) will no longer be available from 8:30 a.m. to 10:00 a.m. • The reduction in hours of operation of these libraries will reduce physical library visitation, but may increase virtual visitation.
Reduction of Central Library Staffing and Services • 11.0 FTE reduction at Meyera E. Oberndorf Central Library	• This reduction in staffing coupled with the reduction in hours of operation at community and neighborhood libraries may exacerbate delays in services at Meyera E. Oberndorf Central Library to include longer wait times for checkout, check-in and requests for information during evenings and Sundays when the Meyera E. Oberndorf Central Library is the only library that is open
Reduction of Library Material Acquisition Funds • 1.0 FTE reduction in Collection Management • 1.0 FTE Reduction in Cataloging Services	• A reduction in State aid and City funding of $175,000 for books and materials for the library collection equates to the loss of 10,000 circulating books. • The reduction of these two positions will extend the amount of time to select, order, catalog and process new materials and delay the filling of inter library loan requests.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The Virginia Beach Public Libraries rely mainly on general City revenues. The department collects a small amount of revenue (4.6%) through fines and fees and also receives a small amount of assistance from the State (2.0%). However, State funding has been decreasing over the past several years. The department's major programs are highlighted below:

- **Records Management** - Ensures the protection of permanent, archival, and non-current records for the City, Schools, and Courts, ensuring that all Federal, State, and local records retention and disposition requirements are met in accordance with the Virginia Public Records Act.

- **Meyera E. Oberndorf Central Library, Community Libraries, and Neighborhood Libraries** – Provides reference, information, programming and circulation services to customers visiting, telephoning, or emailing the libraries in support of lifelong learning, education, and leisure needs.

- **Online Library Services** - This program is available twenty-four hours a day, seven days a week and allows citizens to access library resources easily from anywhere that they have internet access. From the library's website customers can download audio books, magazines and newspapers, review an extensive collection of research material and electronic resources, browse digital collections of local history, photographs and postcards, and place holds or renew materials. There are also virtual librarians available to answer questions and provide assistance via email, texting or instant messaging.

- **Virginia Beach GrowSmart (formerly Ready to Learn)** - Partners public and private sector service providers with families, to provide children, from birth to five years of age, with high quality educational environments and experiences that support both children and their families at this critical time in a child's development.

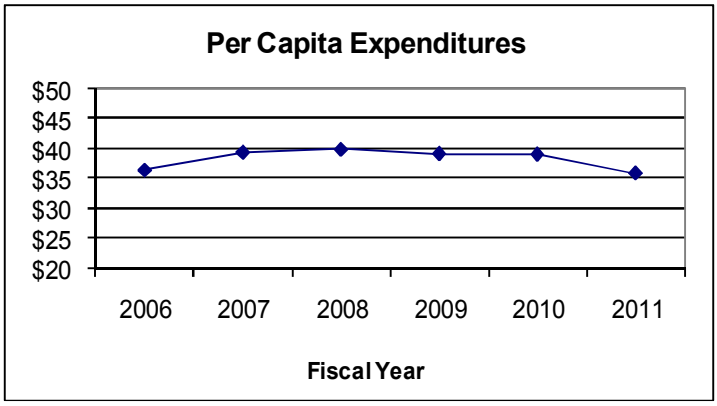
- **Mobile Services (Bookmobile)** - Travels to preschools, child care centers, Title I Schools, Head Start programs, at risk neighborhoods and after school programs throughout the City. It reaches children and parents who otherwise might not be able to visit the library and provides access to books and electronic databases to support educational and recreational needs.

- **Special Services for the Blind and Physically Handicapped** - A sub regional library of the National Library Service for the Blind, located at the Bayside Area Library, loans Braille, recorded, and large print materials and equipment to registered customers, and provides information services for individuals with disabilities. Beginning in FY 2010 11, this service will be provided to Virginia Beach residents only. Currently, Special Services for the Blind and Physically Handicapped serves qualifying residents of 10 jurisdictions in South Hampton Roads and the Eastern Shore of Virginia.

- **The Wahab Public Law Library** – Assists members of the general public and the legal profession, high school and college students, and City, State, and Federal government employees with legal research in person, by telephone, or by email. The Law Library acts as the primary agency to which City departments can refer citizens in need of legal information.

Trends and Issues

- The per capita expenditure graph to the right shows that budgeted expenditures for the Virginia Beach Public Libraries have decreased each year since 2008. Due to the significant reductions outlined above, expenditures per capita in FY 2010 11 will be the lowest they have been in the last six years.

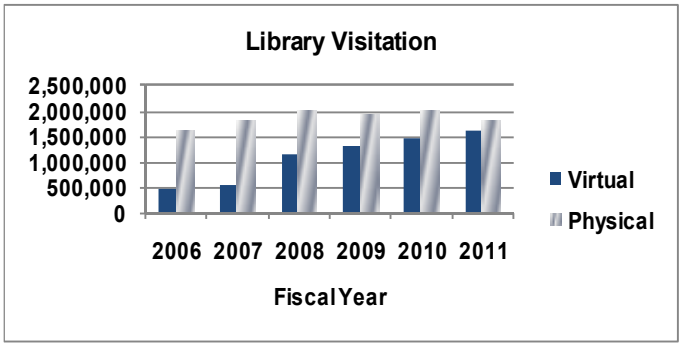


- The Records Management Division reduced 1.0 FTE and associated operating costs that were assigned to microfilming records for the Virginia Beach Circuit Court. The microfilming technology has become obsolete as better technologies for preserving court records have been developed.

- To increase efficiency, the department has begun emailing seven day overdue notices as opposed to mailing them. This will save approximately $23,000 each year in printing and postage costs. The department also reduced part-time hours equaling 2.35 FTE's throughout the department to create additional efficiency savings of $55,655.

- The Library Director's Office reduced 1.0 administrative position and associated staff development funding. This position, in addition to being responsible for various administrative responsibilities related to staff development, greeted visitors to the office and answered the main telephone line. The reduction of this position will cause visitors and callers to the Director's Office to wait until a staff member is available to greet and assist them.

- From 2005 to 2009, virtual visitation increased 176.8% while physical visitation increased by 23.0%. The graph on the right does show a slight drop in physical visitation from 2008 to 2009; however, the Kempsville Area Library was closed for renovations from December of 2008 to September of 2009. The temporary closure of this library helps to explain this slight drop in visitation.



Fee Increase Schedule

Description	Proposed Fee	Current Fee	Last Modified	Notes
Overdue Material Fee	$0.25/Day	$0.20/Day	1988	
Photocopying	$0.20/Copy	$0.15/Copy	1988	
Hold Fee	$1.00/Hold	N/A	Initial Implementation	Assessed on all materials that are placed on hold and **NOT** picked up.
Non-Resident Library Card	$35.00/Annually	N/A	Initial Implementation	
Meeting Room Rental	$10.00/Hour	N/A	Initial Implementation	
Central Library Auditorium Rental	$25.00/ Hour	N/A	Initial Implementation	

Council Amendment

On May 11, 2010, City Council voted to add $113,000 and 3.0 FTEs to the Library Department budget in order to restore Sunday hours (1:00 p.m. to 5:00 p.m.) at Kempsville and Princess Anne Area Libraries.

Library - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Director's Office	1,449,561	1,444,357	1,324,762	(119,595)
Central Library	2,500,146	2,801,884	2,420,415	(381,469)
Great Neck Area Library	591,969	594,189	571,976	(22,213)
Bayside Area Library	1,083,140	1,109,198	1,097,270	(11,928)
Oceanfront Area Library	912,152	970,011	910,524	(59,487)
Kempsville Area Library	1,134,017	1,239,365	1,050,087	(189,278)
Windsor Woods Area Library	590,220	609,049	601,502	(7,547)
Pungo - Blackwater Area Library	348,516	405,813	334,645	(71,168)
Princess Anne Area Library	1,011,492	1,147,523	1,106,153	(41,370)
GrowSmart	122,724	158,060	152,407	(5,653)
South Rosemont Youth Library	377,075	432,898	357,332	(75,566)
Mobile Services	203,877	270,087	261,948	(8,139)
Municipal Reference (FY 2008-09)	157,247	0	0	0
Records Management	413,459	445,530	383,794	(61,736)
Cataloging Services	803,982	956,394	735,182	(221,212)
Technology Services	708,786	768,679	902,054	133,375
Collection Management	2,647,047	2,952,280	2,777,983	(174,297)
Youth and Family Services	348,298	357,634	428,815	71,181
Total Expenditures	15,403,708	16,662,951	15,416,849	(1,246,102)
Revenues				
Director's Office	339,988	357,153	684,400	327,247
Technology Services	5,630	89,370	89,370	0
Collection Management	276,461	251,603	245,039	(6,564)
Total Revenues	622,079	698,126	1,018,809	320,683
General City Support	14,781,629	15,964,825	14,398,040	(1,566,785)
130 Law Library Fund				
Expenditures				
Law Library	184,026	223,307	270,758	47,451
Reserve for Contingencies	0	5,300	4,790	(510)
Transfer to Other Funds	61,277	60,000	57,252	(2,748)
Total Expenditures	245,303	288,607	332,800	44,193
Revenues				
Law Library	329,862	288,607	332,800	44,193
Total Revenues	329,862	288,607	332,800	44,193
General City Support	(84,559)	0	0	0
909 Library Gift Fund				
Expenditures				
Library Donations	5,002	5,712	4,000	(1,712)
Total Expenditures	5,002	5,712	4,000	(1,712)
Revenues				
Library Donations	5,535	5,712	4,000	(1,712)
Total Revenues	5,535	5,712	4,000	(1,712)
General City Support	(533)	0	0	0

Library - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Total Department Expenditure	15,654,013	16,957,270	15,753,649	(1,203,621)
Total Department Revenue	957,476	992,445	1,355,609	363,164
Total General City Support	14,696,537	15,964,825	14,398,040	(1,566,785)

Position Summary by Program

002 General Fund				
Director's Office	16.00	16.00	15.00	-1.00
Central Library	54.50	56.00	46.00	-10.00
Great Neck Area Library	13.32	13.32	11.50	-1.82
Bayside Area Library	24.50	24.50	22.50	-2.00
Oceanfront Area Library	20.50	20.50	16.50	-4.00
Kempsville Area Library	26.63	26.63	21.50	-5.13
Windsor Woods Area Library	12.50	12.50	11.50	-1.00
Pungo - Blackwater Area Library	7.65	7.65	6.00	-1.65
Princess Anne Area Library	26.00	26.00	23.50	-2.50
GrowSmart	1.50	2.00	2.00	0.00
South Rosemont Youth Library	8.50	8.50	6.50	-2.00
Mobile Services	5.25	5.25	5.00	-0.25
Municipal Reference (FY 2008-09)	3.50	0.00	0.00	0.00
Records Management	5.00	5.50	4.50	-1.00
Cataloging Services	11.00	11.00	8.00	-3.00
Technology Services	3.00	3.00	5.00	2.00
Collection Management	15.00	15.00	14.00	-1.00
Youth and Family Services	6.00	5.00	6.00	1.00
Total	260.35	258.35	225.00	-33.35
130 Law Library Fund				
Law Library	2.50	2.50	2.50	0.00
Total	2.50	2.50	2.50	0.00
Total Position Summary	262.85	260.85	227.50	-33.35

Health - Departmental Performance Report

Health

The mission of the Health Department is to promote and protect the health of our community, which is defined as the people and the environment.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Improve Access to Medical Services for At-Risk Elderly Citizens						
Contacts with Elderly Patients	#	3,600.0	3,885.0	4,469.0	3,600.0	3,600.0
Cost per Contact with Senior Services Patients	$	12	11	10	12	12
Elderly Patient Satisfaction Ranking - 3 = "Very Satisfied"	#	3.0	3.0	3.0	3.0	3.0
Inspect Every Restaurant in Virginia Beach						
Cost per Restaurant Inspection	$	5	5	5	5	5
Days to Issue a Restaurant Permit	#	1.0	1.0	1.0	1.0	1.0
Number of restaurants inspected annually	#	4,500.0	4,404.0	4,473.0	4,500.0	4,500.0
Provide Dental Care to Children						
Children Provided Dental Services	#	1,400.0	1,506.0	1,452.0	1,400.0	1,400.0
Dental Patient Satisfaction Ranking - 3 = "Very Satisfied"	#	3.0	3.0	3.0	3.0	3.0
Dental Patients Seen per Staff Hour Worked	#	1.0	0.9	0.9	1.0	1.0
Provide Immunizations for Children						
Children Given Immunizations	#	4,000.0	4,990.0	4,235.0	4,000.0	4,000.0
Cost per Contact with Immunization Patients	$	10	7	9	10	10
Immunization Patient Satisfaction Ranking - 5 = "Very Satisfied"	#	4.0	3.0	5.0	5.0	4.0

Major Changes

In FY 2010-11, the Virginia Beach Health Department's budget will decrease by $411,892 or 13.5%. The department will also have a reduction of 0.32 FTE. This decrease in the department's budget is a result of the reduction of State funding for the Health Department. This reduction will create a smaller City match for the Health Department. Some of the major programmatic impacts on the department are summarized below:

The Health Department is anticipating an additional reduction in State funding in FY 2011. Due to the nature of the budget negotiations that continue at the State level, the extent of these reductions and specific programmatic impacts are undetermined at this time. However, two of the programs that are being considered for decreased funding are shown in the table below:

Change	Impact
Reduction or Elimination of State funding – Healthy Start	• This cut could possibly result in the loss of a Healthy Start supervisory position. The Health Department would also not pay the credentialing fees associated with this program or the fees to utilize the computer program that provides statistical analysis of Healthy Start Data (required for credentialing). The department anticipates being able to provide client services as close as possible to the current level by decreasing some of the administrative costs and holding a position vacant.
Reduction or Elimination of State Funding – Dental Program	• Medicaid revenue for dental services has increased now that there are Medicaid dental HMOs. The department is hopeful that the revenue generated will help offset any State funding cuts. Virginia Beach Department of Public Health (VBDPH) receives grant funding to provide oral health services to HIV patients. This funding supports a portion of the dental program, and the City provides the largest portion of the funding. With the slight increase in Medicaid revenue, stable grant funding and stable City funding the dental program can continue at its current level, as long as the State allows dental programs with alternate funding sources to continue operation.

Additional information about program reductions is available in the Requested But Not Funding listing in the Resource Management Plan document.

Departmental Overview

The Virginia State Code requires that each county and city establish and maintain a local Health Department. For Virginia Beach, this is accomplished by entering into a contract with the Virginia Department of Health. The City of Virginia Beach provides a 45% match to the funding that is allocated from the Virginia Department of Health. This funding is used to support all services that are mandated by law.

These mandated services protect the health of Virginia Beach residents through programs such as childhood immunizations, communicable disease treatment and prevention, family planning services, pregnancy testing, prenatal care, food service inspections, regulation of tattoo/piercing, hair and tanning establishments, and well/septic inspections and permitting.

The Virginia Beach Health Department also provides services that are not mandated and are 100% City funded. These programs are briefly described below:

- **Dental Program** - Provides preventative dental care services for low income children. This program actually receives a small amount of funding from the State (16.9% in FY 2008 09) and a Federal grant program (13.6% in FY 2008 09).

- **Healthy Start Program** - Signature program for Healthy Families in Virginia Beach and provides a continuum of services from prenatal to five (5) years of age. The program offers outreach, screening, assessment and home visitation, education, support and referral for new parents that have multiple challenges and few coping mechanisms. This program operates in conjunction with Virginia Beach GrowSmart, which is part of the Library Department.

- **First Steps Program** - Provides parenting support and education services for parents who need short term ongoing support.

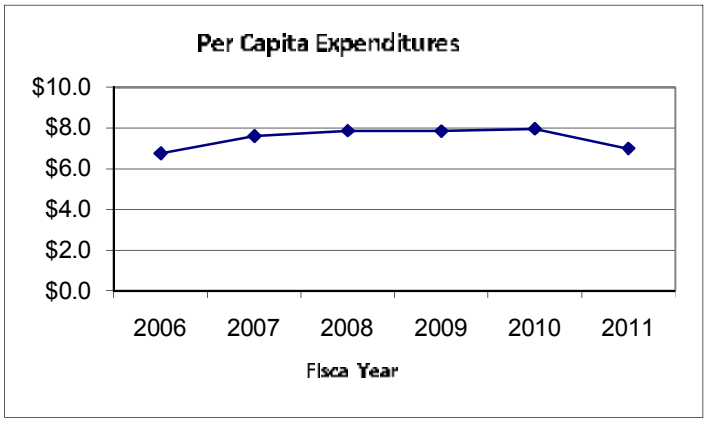
- **Senior Services Program** - Provides community clinics and education for senior citizens, concentrating on the most vulnerable seniors and also those in rural areas of the City. These clinics offer services ranging from blood pressure screenings to preventative health education classes.

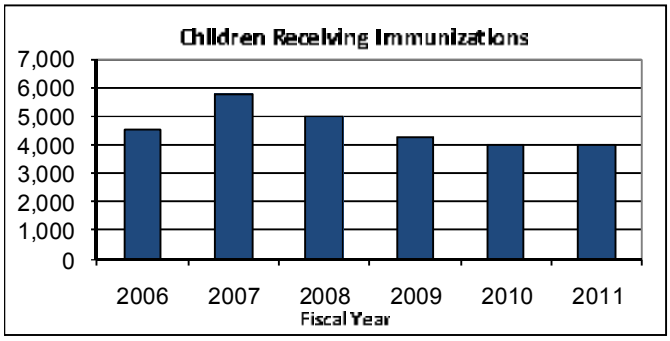
- **Maternity Program** - Provides coordination of delivery services and pre-natal care for uninsured residents who are unable to qualify for Medicaid or Emergency Medicaid.

Trends and Issues

- The per capita expenditure (City expenditures only) graph shows that budgeted expenditures for the Virginia Beach Health Department are expected to decrease in FY 2010-11 for the first time in six (6) years. This decrease is due to the State reducing their contribution to the Health Department which in turn reduced the City's contribution.

- As an efficiency savings measure, the department eliminated 0.32 of an FTE by reducing budgeted hours for three part-time positions, bringing the hours a located to each position in line with minimum program requirements.





- As the graph shows, the number of children receiving immunizations from the Health Department has decreased each year since FY 2006-07. These decreases are due to public health nurse vacancies that have occurred over the same time period. Nurse turnover has been primarily due to staff retirement, relocation, home responsibilities and a competitive job market for licensed medical professionals.

Health - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Public Health	3,071,024	3,453,359	3,041,377	(411,982)
Total Expenditures	3,071,024	3,453,359	3,041,377	(411,982)
Revenues				
Public Health	68,467	57,848	82,243	24,395
Total Revenues	68,467	57,848	82,243	24,395
General City Support	3,002,557	3,395,511	2,959,134	(436,377)
Total Department Expenditure	3,071,024	3,453,359	3,041,377	(411,982)
Total Department Revenue	68,467	57,848	82,243	24,395
Total General City Support	3,002,557	3,395,511	2,959,134	(436,377)

Position Summary by Program				
002 General Fund				
Public Health	11.07	11.07	10.75	-0.32
Total	11.07	11.07	10.75	-0.32
Total Position Summary	11.07	11.07	10.75	-0.32

Human Services - Departmental Performance Report

Human Services						
The mission of Human Services is to provide Virginia Beach citizens the opportunity to achieve the highest level of self-sufficiency, safety and quality of life possible through an array of coordinated services delivered in a climate of dignity, respect and accountability.						
Objective/Performance Measure	**Unit**	**Annual Target**	**Actual 2008**	**Actual 2009**	**Est. 2010**	**Proj. FY 2011**
Customer						
Investigate Child Protective Service Complaints						
Child Protective Services Complaints Investigated	#	2,430.0	2,591.0	2,459.0	2,410.0	2,430.0
Process State Entitlement Applications within State Time Limits						
Number of Food Stamp Cases	#	15,000.0	7,734.0	9,133.0	12,136.0	15,000.0
Temporary Assistance to Needy Families Cases	#	1,310.0	1,065.0	1,096.0	1,234.0	1,310.0
Provide an economic safety net for disadvantaged citizens						
Foster Care cost avoided	$	365,200	393,708	374,000	365,200	365,200
Number of consumers served by General Relief Program	#	1,166.0	351.0	890.0	1,166.0	1,166.0
Number of subsidized burials	#	84.0	75.0	88.0	84.0	84.0
Provide consultation to Office of Family & Consumer Affairs						
# served by MHSA Family and Consumer Affairs	#	2,840.0	2,840.0	2,840.0	2,840.0	1,420.0
Provide inmate and offenders substance abuse education						
MHSA Adult Correctional Services # Served	#	550.0	530.0	540.0	550.0	440.0
Provide investigation and supervision to adult pretrial detainees						
Community Corrections # Served	#	9,060.0	8,953.0	8,608.0	9,060.0	9,060.0
Community Corrections # served who did not return to court	$	4,121	4,020	3,700	4,121	4,121
Provide MH Psychiatric Therapy Services to Children						
# of children served by MHSA Child & Youth Program	#	578.0	612.0	578.0	578.0	536.0
Provide MH SA Day Treatment						
MHSA Day Treatment # of clients served	#	288.0	269.0	266.0	288.0	238.0
Provide MHSA Psychiatric treatment & medication						
Mental Health & Substance Abuse Outpatient Services # served	#	4,903.0	5,337.0	4,691.0	4,903.0	4,903.0
Provide temporary & safe custody of juvenile offenders						
Number of Admissions to the Juvenile Detention Center	#	675.0	780.0	620.0	650.0	675.0
Provide transportation services to DHS consumers						
# of consumers served by Transportation Unit	#	868.0	780.0	774.0	868.0	868.0
Medicaid Transportation Fees	$	480,000	336,503	450,033	480,000	480,000
Number of client trips	#	93,000.0	75,278.0	86,501.0	93,000.0	93,000.0
Provides HIV substance abuse prevention services						
MHSA HIV Prevention # served	#	2,484.0	1,884.0	2,982.0	2,484.0	1,242.0

Major Changes

In total, the Department of Human Services' operating budget decreased by $1,910,471 and 32.23 FTEs in FY 2010-11 compared to the adjusted FY 2009-10 budget. Human Services has significant program reductions as a result of reduced funding from both the City and the State. The department has tried to ensure that critical services are not eliminated and to minimize impacts of direct services; however, the program reductions will have impacts on the clients of those services: waiting lists will get longer, some clients may no longer receive the services that they have been accustomed to, and some programs will no longer be available.

Change	Impact
Reduced Funding for the Case Management Program	• The Case Management Program provides State mandated services for linking and coordinating over 700 consumers and their families to services and resources, providing individual assessments, service planning, supportive counseling, and resource development. • Admission requires evaluation to identify emotional and physical problems of developmentally disabled consumers to assist case managers in providing the proper resources for their clients and family members. • This funding reduction will delay psychological evaluations, medical consultations, and ultimately admission to the Case Management Program. If an evaluation is not completed within time limits allowed by Medicaid, the City would not be eligible for reimbursement; however, the City would still incur the cost as these are State mandated services.
Staffing Reductions in the Respite Care Program	• Reduced funding for a full-time Mental Health/Mental Retardation Supervisor and contractual staffing in the Developmental Services Respite Care Program, which provides day supervision to children and young adults who have severe physical and intellectual disabilities, enabling their caregivers to maintain employment in the community. • These reductions will reduce the availability of after school daycare services for 14-20 disabled children during the school year and day camp services during the summer months; and reduce social and recreational day support services for 15 disabled young adults who are on a waiting list to qualify for Medicaid reimbursable services at other programs. • The impact of not funding these services may necessitate the caregivers for these individuals to terminate their employment to provide weekday care.
Reduced Contract Staffing in Correctional Services Programs	• This contractual position provides psychological education programming to inmates at the jail and outpatient substance abuse education to consumers referred by Probation and Parole. • Loss of the position will require reducing services at the jail and eliminating the substance abuse education groups for community probation agencies. This will eliminate services for 110 individuals who were served through this position.
Elimination of Clerical Support in Rehabilitation Services Program	• The full-time Office Assistant position provides clerical and other administrative support to a program which serves an average daily population of 90 Virginia Beach citizens with mental health, substance abuse or co-occurring disorders. The position compiles reports, files clinical information and submits billing information and activities. • The impact of not funding this position is a reduced ability to ensure accuracy, full billing for all services provided and capturing data for required reporting.
Elimination of the Resource Development Program	• The Resource Development Unit screens individuals and families that have requests for basic needs for eligibility and may provide financial assistance or referrals to other programs. Financial assistance may be provided based on eligibility and the availability of funds, to prevent utility disconnection, emergency short-term funding for food, clothing, medication, or a bus ticket. The program refers eligible requests to local church and non-profit programs that provide food and emergency shelter to residents. • The demand for these services has increased with the downturn of the economy;

Change	Impact
	however, the overall funding has decreased. • The impact of not funding this program and the six positions will mean some of the assistance programs will not continue and residents with basic needs will have to search for assistance on their own.
Elimination of Weekend Resident Program at Pendleton	• Pendleton Child Service Center has been providing short-term community based residential treatment to emotionally, behaviorally and socially challenged children ages 5-12 and support services to their families, on a 24-hour, 7 day a week basis. Pendleton's residential treatment program has been effective in preventing long-term, out-of-area placements and typically returns the children to their home and school. • This service reduction, including 7.36 part-time FTEs, will eliminate weekend residential services. For some participants, returning home on weekends may impact the progress made in addressing emotional, behavioral and social deficiencies.
Reduced Contract Agency Slots, and Contractual and Full-Time Staff at SkillQuest	• The SkillQuest Program provides daytime programming, specialized training services and support activities in community settings to individuals with a primary diagnosis of intellectual disabilities. These services are provided through supervised work settings, community volunteer activities, and center based and community based training programs. Many of the clients are in wheelchairs; have co-occurring disorders including sensory disabilities and physical disabilities and/or mental disorders. The program uses contractual staffing to maintain the staff to client ratio for support services and ensuring the safety of program participants • Elimination of contract agency slots to provide supervised work settings will reduce services for 22 individuals to learn appropriate behaviors and communication skills to enhance social acceptance in a community setting. • Eliminating one full-time MH/MR Assistant will reduce the number of clients who can be served at the SkillQuest facility. • Elimination of contractual staffing will affect 2,322 hours of client assistance, which will affect the level of programming and the number of SkillQuest clients served to ensure adequate staffing rations can be maintained.
Reduction in Respite Care and Summer Camp Subsidies in the Family Support Program	• The Family Support Program provides assistance to families who care for intellectually disabled dependents in their home, including subsidies for summer camp for eligible participants and respite reimbursement to enable family members to spend some time out of the home while their disabled dependent is supervised by a professional care provider. This program targets reducing stress on the family members who care for their disabled dependents in their homes. • This 50% program reduction impacts 140 families receiving summer camp subsidies and 130 families receiving respite reimbursement. Without this funding, summer camp participation and respite care may be cost prohibitive for many of these families.
Elimination of a Supervisory Position in the Adult Day Treatment Program	• This program reduction eliminates one full-time supervisory position in the Adult Day Treatment Program. This position is responsible for organizing and supervising several major mental health/ substance abuse program units, and overseeing the staff and operations for the overall program unit. • This reduction will impact services to 50 clients, the supervision of staff and management of needs related to finance, data, and licensure requirements.
Reduced Contractual Staffing for the Supportive Living – Homes Program	• The Developmental Services Supportive Living Home is a group home program that offers supervision and competency building to 28 adults based on their individual preferences and needs in the areas of personal safety, health care, personal care, domestic skills, communication/social skills, and community living skills. • It will be necessary to reallocate staff hours to ensure appropriate care for clients

Change	Impact
	and some services may be reduced as a result of this contractual staffing reduction.
Reduced Contractual Staffing and Slots for Supervised Work Settings in the Employment Services Program	• The Employment Services Program, which provides services to help 289 adults with intellectual disabilities, sensory and physical disabilities, and mental illness find and maintain employment in community businesses. • The program serves clients who rely on jobs as their primary means of financial support and promotes community integration through normalization activities in competitive jobs. It also provides pre-vocational services to prepare individuals for paid employment through volunteer activities in City agencies and not-for-profit organizations. • The reduced contractual staffing may necessitate reducing the number of job placements in certain employment settings where contract manpower staff helps to ensure the safety of program clients while performing their job duties. • Elimination of contract agency employment for 6-8 of the program clients working in highly supervised employment settings.
Elimination of Contractual Psychiatrist and Part-Time Clinician in Child/Youth Mental Health Program	• Elimination of a part-time Clinician position (0.93 FTE) to conduct thorough clinical chart reviews and 9 hours per week of contractual psychiatric services. Eliminating the chart review means that clerical staff will do quick reviews; however, without clinical knowledge, this more limited effort may result in Medicaid paybacks. The contact psychiatrist reduction will eliminate one psychiatric evaluation and 20 medication management follow-ups per week, a loss of services for 42 children per year.
Reduced Contract Staffing for the Mental Health and Substance Abuse Program Office of Family and Consumer Affairs	• Elimination of contracted staffing in the Mental Health and Substance Abuse Program. This position provides information, resources, and linkage to individuals calling in for help and support for the mental health needs of themselves and/or a family member and facilitates several support groups. • This position provides services for about 1,420 individuals annually; eliminating the staffing will limit the availability of mental health services and programs.
Staff Reduction for HIV Prevention and Outreach Programming	• Elimination of a full-time Educator position that provides outreach programming and testing services to the homeless and other at-risk populations. These services aim to prevent the spread of HIV infection and other risky behaviors. • The impact of not funding these services includes reduced educational programming offered, affecting 1,242 clients, and may result in increased HIV infection rates in the long-term.
Reduced Contractual Staffing in the Supportive Living Program	• Reduction in contracted staffing for the DS Supportive Living Program, which provides supportive services to 60-65 adults with mild to severe intellectual disabilities who currently live independently in the community. • This program is heavily dependent upon contract manpower to provide front line services to these clients. Services include the coordination of rental assistance, income maintenance benefits, health care services, and transportation as well as assistance and instruction in daily living skills such as meal preparation, money and medication management, and home/community safety. • The impact of this funding could be reduced availability of independent living opportunities for current program participants; some clients may require alternative living arrangements.
Staff Reductions at the Juvenile Detention Center	• Decreased admissions and excess bed capacity at the Juvenile Detention Center (JDC) enabled the City to eliminate 8 full time and 0.94 part time Juvenile Detention Counselor positions. • If the juvenile crime trend begins to increase, additional staffing will be needed to maintain the 1:10 staff ratio mandated by the State Department of Juvenile Justice.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The Department of Human Services provides a wide variety of services to Virginia Beach residents to achieve self-sufficiency, safety and quality of life. The department receives Federal, State, local, fees, and grant funding. The City's appropriations are based on the required match rates between 0% and 63.5%. The City also provides support for employee compensation and additional programs, which are non-mandated or above the State's allocated level of funding. The department also coordinates provision of services with two boards, the Community Services Board (CSB) and the Social Services Advisory Board (SSAB) which developed a combined strategic plan to address the increase in service needs and the waiting lists for vital services.

Human Services is divided into the following service areas:

- **Adult & Family Services Division** - Aids citizens in meeting their fundamental needs during times of temporary economic and social crisis, to protect our children and vulnerable adults from abuse and neglect, to administer a range of services to help maintain families in the least restrictive and intrusive manner possible, and to assist in preparing citizens to find and retain employment

- **Developmental Services Division** - Plans, develops, and implements services for Virginia Beach residents with intellectual disabilities and their families through the provision of consumer centered services designed to provide opportunities to individuals who have intellectual disabilities to become self directing and contributing members of our community; support families living with family member(s) with intellectual disabilities; provide early intervention when developmental delays are identified in young children; and, promote the value of persons with intellectual disabilities living and working in the community.

- **Financial Assistance Division** - Administers many different financial assistance programs, most of which are financed by the Federal and State government. The programs are targeted for families and individuals with incomes at or below the poverty level. Programs include: temporary, emergency or general assistance to needy families or indigents; grants for the disabled; food stamps; and Medicaid or refugee re-settlement.

- **Juvenile Detention Center** - Provides temporary and safe custody of juveniles that have criminal charges and require a restricted environment for their own protection or the protection of the public.

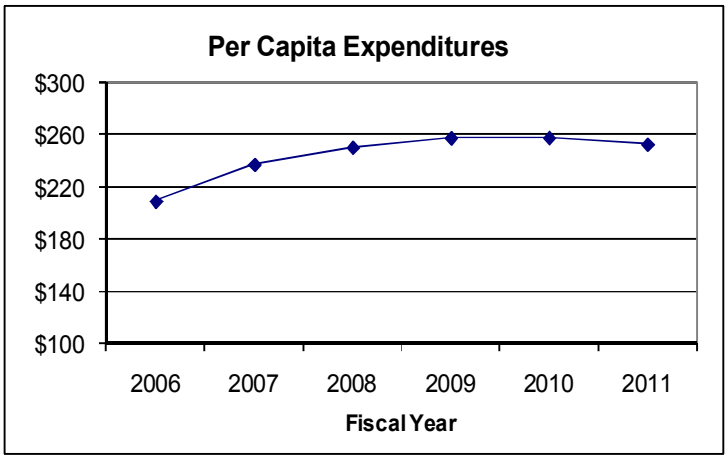
- **Mental Health Substance Abuse Division** - Promotes recovery for Virginia Beach citizens and their families with or at risk of mental health, substance use or co-occurring disorders, through an array of coordinated services offering prevention, treatment and community collaboration delivered in a climate of dignity and respect.

- **Pendleton Child Service Center** - Provides services to families whose children, ages 5 through 12, are experiencing behavior problems at home, school or within the community. Available services include family counseling, school consultation, day treatment programs, and a 24 hour, 5 day a week residential program. In addition, Pendleton offers a wide range of group services for parents and children including parenting skills training, social skills and anger management for children.

Trends and Issues

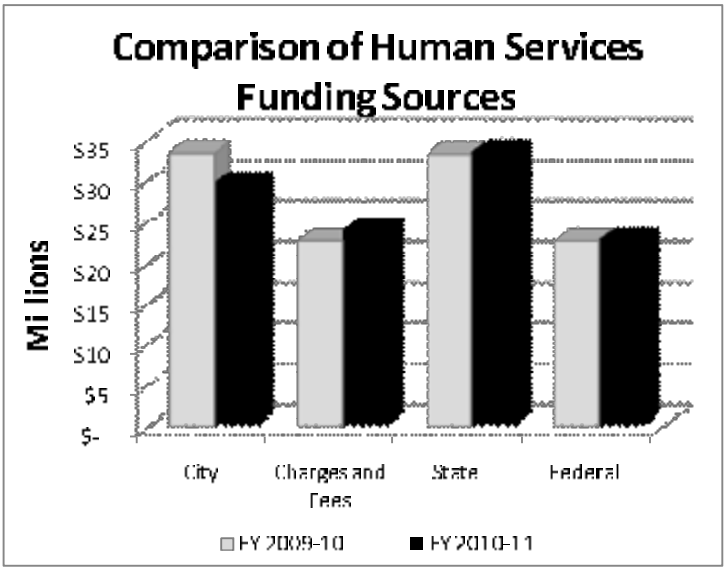
- The department's per capita expenditures are decreasing 1.9% in FY 2010-11 compared to the current year. The department continues to take full advantage of outside sources of funding and implements program and financial practices that maximize reimbursements to the City. In FY 2010-11, there were slight increases in revenue from charges for services (primarily Medicaid), and State and Federal support. The biggest overall financial impact for Human Services is the reduction in funding for locally supported programs. Human Services has had limited choices in making program reductions because many of the department's services involve State or Federal mandates, including match requirements; or they are affected by regulatory requirements such as licensure standards, Medicaid credentialing, and

human rights regulations; or Federal entitlement programs. Other factors such as consumer demand and waiting lists, service effectiveness, and Council priorities were factors in programmatic reductions.



- While the State has reduced or eliminated some programs, there have been increases in other areas or changes in funding formulas that have benefitted the City. This department has weathered some significant program cuts in recent years. The mid-year FY 2009-10 State reductions of about $507,000, particularly impacted mental health services and social services on a smaller scale. Those reductions will continue into FY 2010-11 as well. City funding reductions also significantly impact mental health services since that is the area where the most non-mandated City funding is provided.

  At this point, additional State reductions for Human Services are projected to be about $90,000, for a 1% reduction in Social Services administrative funding. This reduction is contingent upon additional Federal funding coming to the State, which the General Assembly has included in the final budget plan.



  For the upcoming year, the General Assembly made some assumptions that have significant program impacts for Human Services. The final budget plan assumed the State would receive about $370 million if Congress extends the Federal Medical Assistance Percentage (FMAP), which was originally part of the American Recovery and Reinvestment Act (Federal stimulus) last year. Under this program, the Federal government increases its match against State dollars for Medicaid services and the extra Federal dollars are used to supplant general fund money in the health and human resources budget. If the FMAP extension is approved, we will likely see a benefit in local match rates which would free up some local funding; our local match rate would drop from over 22% to just under 14%. However, if the FMAP funding extension is not approved, then the additional reductions for State supported programs will be necessary. Bills that extend the FMAP are currently making their way through Congress. Any final adjustments for changes to State revenue and the related impacts will be discussed with the City Council prior to budget adoption.

- Perhaps the most prominent trend for service providers in the Human Service area is that demand for services is increasing significantly with the prolonged downturn in the economy, and yet funding available to provide services is shrinking.

  - Between 2000 and 2010, the City's Supplemental Nutrition Assistance Program (SNAP) participation has increased 143%; during the last two years, this program has seen a 65% increase in the number of citizens receiving benefits. Currently, there are nearly 28,000 citizens participating in SNAP. These payments are more than $42 million a year; however, despite the increased demand, the increased funding for the current year is limited to the $84,800 that was provided through the Federal stimulus.

- Medicaid dollars have increased 147% over the last decade.

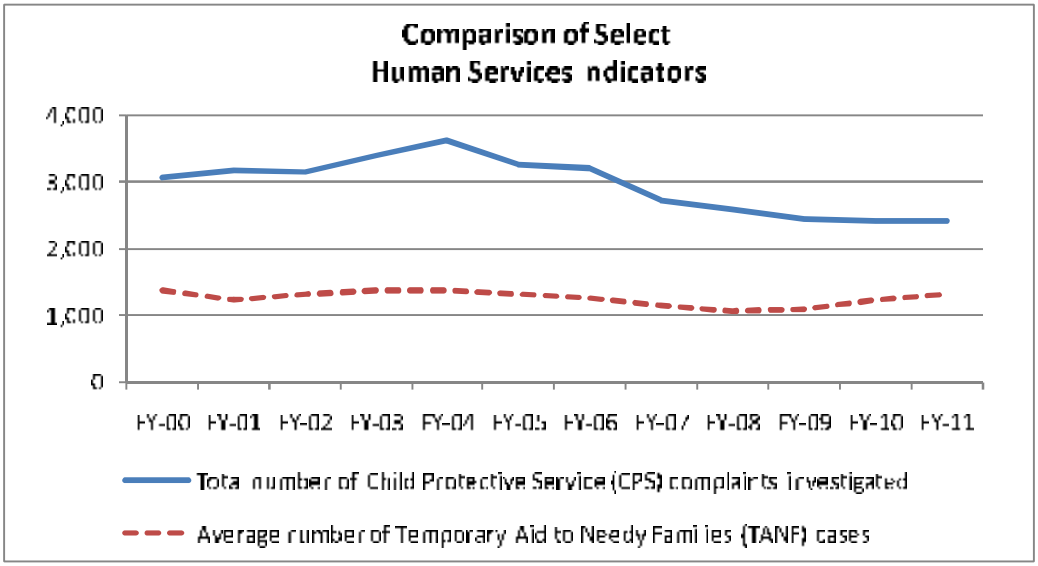
- Emergency services in the Mental Health and Substance Abuse Division are experiencing a 30% increase to 600 interventions per month.

- The Mental Health/Substance Abuse and Developmental Services Divisions serve 8,500 individuals each year.

- Applications for financial assistance programs such as utility, rent, mortgage and fuel assistance however, limited funding means that the eligibility requirements are stringent: about two thirds of applicants cannot qualify for any assistance.

- Waiting lists continue to exist: the department estimates that it would take over $3 million a year to eliminate current waiting lists. Mental health, substance abuse disorder treatment and services for the intellectually disabled are the services most affected by waiting lists.

- There are a couple of positive trends. As shown in the following graph, the number of complaints investigated by Child Protective Services for FY 2009-10 and FY 2010-11 are at the lowest point in a decade; FY 2011 is projected to be 22% below the 10 year average. Despite the economy, the number of cases for temporary aid to needy families is only 4% above the 10 year average.



Other Changes

- Reduced funding for annual in-house, web-based and teleconference training services for the Developmental Services Program Clinical Support Program. This funding provides updates for staff on best practices and emerging techniques for dealing with individuals with intellectual disabilities.

- Elimination of rental vehicle to transport clients in the Developmental Services Supportive Living Program to medical, dental and social service appointments. The DS Supportive Living Program provides transportation services to many of the 60-65 intellectually disabled adults attempting to live independently in the community. Transportation is a critical component of the supportive services provided to these clients. Without transportation provided by City staff, the clients will have to find alternatives which may not be readily available or as reliable.

- Elimination of a contractual music therapist in the SkillQuest Program which provided intellectually disabled individuals an opportunity to enrich their lives through music appreciation and singing in the program's choral group. The impact of not funding this program is reduced program support for SkillQuest participants.

- Efficiency Savings Human Services: The department has eliminated 4 full time positions by realigning job functions, modifying work flow procedures and benefits realized from the Social Services IT Migration Project. Staff reductions were made in Payroll, Accounts Payable, Training and Comprehensive Service Act Program, and are not expected to have any negative impact on services to the community.

Council Amendment

On May 11, 2010, City Council voted to amend the proposed budget to restore several programs in the Department of Human Services. These include: $166,000 to fully fund staffing (1.0 FTE and contracted manpower) for the Respite Care Program; $72,000 to restore contractual staffing and supervised work setting slots for the Employment Services Program; $44,200 to restore contractual staffing that provide services in the Correctional Services Program; and $17,800 (partial restoration) for contractual staffing in the SkillQuest Program.

Human Services - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Central Administraton	776,366	922,548	841,936	(80,612)
Information Technology Services	800,219	652,042	528,924	(123,118)
Reimbursement	797,833	812,809	829,701	16,892
Quality Assurance	371,644	324,814	419,800	94,986
Personnel	451,396	450,314	371,083	(79,231)
Accounts Payable	328,282	359,633	363,549	3,916
Transportation	1,228,867	1,324,448	1,323,397	(1,051)
MHSA Program Support	823,442	949,498	930,322	(19,176)
Senior Adult Services	366,809	387,834	303,576	(84,258)
Adult Outpatient Services	4,604,576	5,413,988	5,269,783	(144,205)
MH Community Rehabilitation	1,394,223	1,431,100	1,389,531	(41,569)
MH Emergency Services	1,240,015	1,334,710	1,462,102	127,392
Child and Youth Services	2,673,386	2,696,954	2,913,160	216,206
Residential Services	3,863,753	2,864,824	2,979,226	114,402
MH Case Management Unit	2,666,434	2,351,772	2,359,743	7,971
MH PATH	107,874	163,499	161,575	(1,924)
Harbour	434,346	449,852	390,772	(59,080)
DS Program Clinical Support	776,741	569,446	509,613	(59,833)
DS Case Management	2,048,992	2,287,910	2,310,342	22,432
DS Employment Services	1,424,590	1,464,887	1,433,518	(31,369)
DS Skillquest	3,208,982	3,206,186	3,047,692	(158,494)
DS Respite Care Program	469,652	528,328	547,110	18,782
DS Infant Stimulation Program	506,397	537,184	537,756	572
DS Supportive Living	2,513,549	2,911,378	3,097,658	186,280
DS Family Support	199,852	304,463	263,043	(41,420)
DS Supportive Living - Homes	2,717,997	2,850,349	2,367,825	(482,524)
DS Kentucky Avenue Project	1,400,461	1,438,381	1,595,044	156,663
DS Early Intervention	856,363	756,379	812,126	55,747
DS Colby Way ICF/MR	806,088	853,868	785,467	(68,401)
DS BizNet Village	3,798,541	3,604,373	4,153,546	549,173
Detoxification Services	2,315,755	2,565,034	2,232,265	(332,769)
MHSA Adult Day Treatment Services	834,566	707,462	687,002	(20,460)
SA Prevention	803,601	798,268	823,448	25,180
SA Adult Correctional Services	790,671	997,566	997,497	(69)
SA - HIV Prevention	144,157	168,699	99,287	(69,412)
SA - Project LINK	503,561	553,917	437,545	(116,372)
Child Services	15,295,517	14,247,417	15,557,256	1,309,839
Benefit Program	8,999,781	10,445,736	10,827,122	381,386
Employment Services	10,875,543	12,478,045	12,000,456	(477,589)
Community Services	1,290,199	1,478,147	0	(1,478,147)
Adult Services	1,943,201	1,525,875	1,825,977	300,102
Virginia Beach Juvenile Detention Center	4,833,002	4,965,293	4,322,554	(642,739)
Pendleton Child Service Center	1,748,684	1,946,731	1,704,244	(242,487)
CSA Administration and Social Services	12,564,396	14,829,904	14,487,821	(342,083)
Total Expenditures	106,600,304	111,911,865	110,301,394	(1,610,471)
Revenues				
Central Administraton	156,055	309,284	219,734	(89,550)
Information Technology Services	72,405	185,448	161,371	(24,077)
Reimbursement	30,491	40,000	45,667	5,667
Quality Assurance	65	(21,766)	0	21,766
Personnel	270	36,244	36,244	0
Accounts Payable	0	226,068	226,068	0

Human Services - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
002 General Fund				
Transportation	457,733	388,000	429,000	41,000
MHSA Program Support	101,739	106,500	99,000	(7,500)
Senior Adult Services	351,405	160,949	97,000	(63,949)
Adult Outpatient Services	1,153,537	1,216,205	1,170,598	(45,607)
MH Community Rehabilitation	1,544,121	1,560,431	1,578,180	17,749
MH Emergency Services	1,352,823	1,474,445	1,471,778	(2,667)
Child and Youth Services	1,806,887	1,952,427	2,238,498	286,071
Residential Services	1,844,769	1,807,258	2,096,308	289,050
MH Case Management Unit	2,040,024	2,052,929	1,865,290	(187,639)
MH PATH	146,225	193,322	193,322	0
Harbour	580,950	484,408	602,999	118,591
DS Program Clinical Support	3,744	2,500	2,500	0
DS Case Management	2,533,667	2,635,268	2,258,028	(377,240)
DS Employment Services	410,840	677,344	827,393	150,049
DS Skillquest	2,301,083	2,437,104	2,383,261	(53,843)
DS Respite Care Program	78,057	78,971	60,000	(18,971)
DS Infant Stimulation Program	435	39,936	39,936	0
DS Supportive Living	977,818	954,936	1,854,281	899,345
DS Family Support	214,246	70,079	76,579	6,500
DS Supportive Living - Homes	2,145,964	2,300,633	1,985,656	(314,977)
DS Kentucky Avenue Project	1,324,365	1,462,862	1,586,931	124,069
DS Early Intervention	907,685	763,376	810,154	46,778
DS Colby Way ICF/MR	1,008,849	848,197	781,780	(66,417)
DS BizNet Village	3,972,174	3,935,332	4,135,022	199,690
Detoxification Services	2,307,411	2,230,756	2,178,037	(52,719)
MHSA Adult Day Treatment Services	576,273	544,865	556,967	12,102
SA Prevention	707,683	707,376	659,083	(48,293)
SA Adult Correctional Services	482,510	599,959	576,994	(22,965)
SA - HIV Prevention	267,944	267,948	340,845	72,897
SA - Project LINK	550,339	541,305	595,542	54,237
Child Services	30,370,922	10,481,396	11,818,152	1,336,756
Benefit Program	115,556	7,276,048	8,316,901	1,040,853
Employment Services	0	10,855,788	10,444,814	(410,974)
Community Services	123,449	998,198	0	(998,198)
Adult Services	0	1,084,544	918,382	(166,162)
Virginia Beach Juvenile Detention Center	2,442,578	2,305,347	2,261,800	(43,547)
Pendleton Child Service Center	1,406,695	1,594,310	1,590,310	(4,000)
CSA Administration and Social Services	7,265,188	9,288,135	9,501,599	213,464
Total Revenues	74,134,974	77,154,665	79,092,004	1,937,339
General City Support	32,465,330	34,757,200	31,209,390	(3,547,810)

Human Services - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
183 Grants Consolidated Fund				
Expenditures				
Hard to Serve Grant	232,993	396,633	354,892	(41,741)
Social Services - Revenue Max Grants	73,075	75,485	76,582	1,097
Community Corrections and Pre-Trial	865,109	872,229	1,435,810	563,581
Pre-Trial Grant	414,239	564,223	0	(564,223)
Reserve for Contingencies - Hard to Serve	0	3,323	0	(3,323)
Transfer to Other Funds	0	1,508	0	(1,508)
Total Expenditures	1,585,416	1,913,401	1,867,284	(46,117)
Revenues				
Hard to Serve Grant	232,993	399,956	354,892	(45,064)
Social Services - Revenue Max Grants	73,075	75,485	76,582	1,097
Community Corrections and Pre-Trial	865,109	872,229	1,435,810	563,581
Pre-Trial Grant	425,530	565,731	0	(565,731)
Total Revenues	1,596,707	1,913,401	1,867,284	(46,117)
General City Support	(11,291)	0	0	0
Total Department Expenditure	108,185,720	113,825,266	112,168,678	(1,656,588)
Total Department Revenue	75,731,681	79,068,066	80,959,288	1,891,222
Total General City Support	32,454,039	34,757,200	31,209,390	(3,547,810)

Position Summary by Program

002 General Fund				
Central Administraton	7.00	7.00	7.00	0.00
Information Technology Services	7.00	4.00	1.00	-3.00
Reimbursement	14.00	14.00	14.00	0.00
Quality Assurance	4.50	3.50	4.50	1.00
Personnel	8.00	8.00	7.00	-1.00
Accounts Payable	6.50	6.50	6.50	0.00
Transportation	25.87	25.87	25.87	0.00
MHSA Program Support	11.75	11.75	11.75	0.00
Senior Adult Services	5.38	5.38	3.63	-1.75
Adult Outpatient Services	51.14	52.14	49.14	-3.00
MH Community Rehabilitation	21.53	21.53	20.53	-1.00
MH Emergency Services	17.75	17.75	18.75	1.00
Child and Youth Services	30.49	30.49	32.56	2.07
Residential Services	23.74	23.74	25.49	1.75
MH Case Management Unit	34.00	34.00	34.00	0.00
MH PATH	1.50	2.50	2.50	0.00
Harbour	5.81	5.81	5.31	-0.50
DS Program Clinical Support	5.63	5.63	5.00	-0.63
DS Case Management	29.10	30.10	31.73	1.63
DS Employment Services	19.00	19.00	19.00	0.00
DS Skillquest	42.95	41.95	40.95	-1.00
DS Respite Care Program	6.60	6.60	6.60	0.00
DS Infant Stimulation Program	7.30	7.30	7.30	0.00
DS Supportive Living	43.80	44.30	50.18	5.88
DS Supportive Living - Homes	46.67	46.67	38.79	-7.88
DS Kentucky Avenue Project	21.50	21.50	22.00	0.50
DS Early Intervention	3.00	3.00	3.00	0.00
DS Colby Way ICF/MR	10.65	10.65	10.15	-0.50
DS BizNet Village	54.00	54.00	55.00	1.00

Human Services - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
002 General Fund				
Detoxification Services	31.27	31.27	28.27	-3.00
MHSA Adult Day Treatment Services	6.00	6.00	6.00	0.00
SA Prevention	9.13	9.13	9.63	0.50
SA Adult Correctional Services	9.50	9.50	9.50	0.00
SA - HIV Prevention	2.00	2.00	1.00	-1.00
SA - Project LINK	5.95	5.95	4.95	-1.00
Child Services	91.00	91.00	101.00	10.00
Benefit Program	142.79	142.79	147.79	5.00
Employment Services	49.00	49.00	46.00	-3.00
Community Services	15.50	15.50	0.00	-15.50
Adult Services	15.00	15.00	14.50	-0.50
Virginia Beach Juvenile Detention Center	83.23	77.50	67.56	-9.94
Pendleton Child Service Center	30.61	30.61	23.25	-7.36
CSA Administration and Social Services	1.00	1.00	2.00	1.00
Total	1,058.14	1,050.91	1,020.68	-30.23
183 Grants Consolidated Fund				
Hard to Serve Grant	2.00	2.00	2.00	0.00
Social Services - Revenue Max Grants	4.00	1.00	0.00	-1.00
Community Corrections and Pre-Trial	14.00	14.00	23.00	9.00
Pre-Trial Grant	7.00	9.00	0.00	-9.00
Total	27.00	26.00	25.00	-1.00
Total Position Summary	1,085.14	1,076.91	1,045.68	-31.23

Resource Summary Notes

The elimination is of expenditures, revenue and positions in the Community Services Program shows the elimination of the Resource Development Unit.

City Auditor - Departmental Performance Report

City Auditor						
The primary mission of the City Auditor is to promote accountability and integrity in City operations by providing quality audit services.						
Objective/Performance Measure	**Unit**	**Annual Target**	**Actual 2008**	**Actual 2009**	**Est. 2010**	**Proj. FY 2011**
Customer						
Promote Governmental Accountability						
Recommendations Accepted	%	90.0	91.0	95.0	90.0	90.0
Provide Audit Services to City Departments, Agencies and Programs						
Audits Completed within Budgeted Hours	%	85.0	71.0	85.0	85.0	85.0
Hours of Direct Audit Services Provided	#	7,100.0	6,957.0	7,000.0	7,100.0	7,100.0

Major Changes

In total, the City Auditor's budget for FY 2010-11 is $577,486. There have been no major changes to the department. The Office of the City Auditor will continue to provide the same level of service

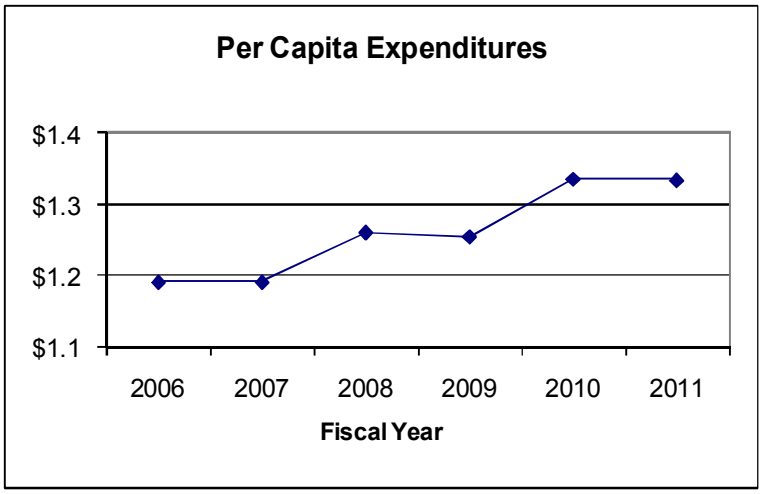
Departmental Overview

The City Auditor is an independent appraisal function responsible for financial, attestation engagements and performance audits of City programs, functions and activities; conduct investigations, provide technical and advisory services; special projects; and oversight and management of the City's external audit contract.

Trends and Issues

- The increase in the per capita expenditures beginning in FY 2007-08 illustrates the costs associated with launching the fraud hotline and the increased costs for implementing the City's related Integrity Connection Program. These programs have been fully implemented and costs are now leveling off.

- The Integrity Connection Program has provided an opportunity to promote awareness of the City's organizational values and code of ethics to over 2,150 City employees. This program offers employees an opportunity to ask questions about ethical behavior and report possible fraudulent activities. In relation to this program, a State mandated fraud hotline has been established. This hotline provides citizens and employees an additional confidential means to report and ask questions about fraudulent activities. Prior to this program, the annual fraudulent reports to the office was between 8-10; however, in the two years that this program has been in place the office has reviewed over 100 allegations. There have been no additional employees added to the office which has resulted in a significant workload increase for the existing staff



- The City of Virginia Beach is mandated by law to be audited yearly by an independent external auditor. The City Auditor is responsible for the task of finding an external auditor and negotiating a contract for this service. Additionally, the City Auditor plays a significant role in the administering and monitoring of the external audit.

City Auditor - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
City Auditor	588,955	576,573	577,486	913
Total Expenditures	588,955	576,573	577,486	913
General City Support	588,955	576,573	577,486	913
Total Department Expenditure	588,955	576,573	577,486	913
Total Department Revenue	0	0	0	0
Total General City Support	588,955	576,573	577,486	913

Position Summary by Program				
002 General Fund				
City Auditor	6.24	6.00	6.00	0.00
Total	6.24	6.00	6.00	0.00
Total Position Summary	6.24	6.00	6.00	0.00

City Clerk - Departmental Performance Report

City Clerk

The mission of the City Clerk is to provide a historical record of the governing body; prepares/delivers weekly Agenda; serves the City Council in the most efficient manner to meet the needs of citizens and attests to/records all official agreements, deeds, contracts, et cetera. The City Clerk also ensures that all public notices comply with applicable State Code regulations and City Council policies. This office maintains the highest standards of customer service for the taxpayers needs and to ensure the City's policies.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Internal Process						
Provide Permanent Records for City Council						
Customer Satisfaction with City Clerk Services	%	97.0	99.0	96.0	97.0	98.0
Research Hours Provided (Laserfiche)	#	1,750.0	1,800.0	1,700.0	1,750.0	1,800.0

Major Changes

In total, the City Clerk's budget decreased $97,063 or 16.4%. The reduction includes 1.0 position.

Change	Impact
Deputy City Clerk position eliminated	• Additional duties will be required of staff to continue equivalent services, and more time will be required to meet internal requests for information. • Departmental functions most impacted are the weekly City Council agenda preparations, City Council notifications, summaries to staff, records management, and City Council and staff technology assistance.
Print Shop and media advertising reduced	• Additional print materials will have to be weighed against other office budgetary priorities. • Media advertising does not include an inflationary factor; additional advertising will have to be weighed against other office budgetary priorities.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The City Clerk's Office responsibilities include:

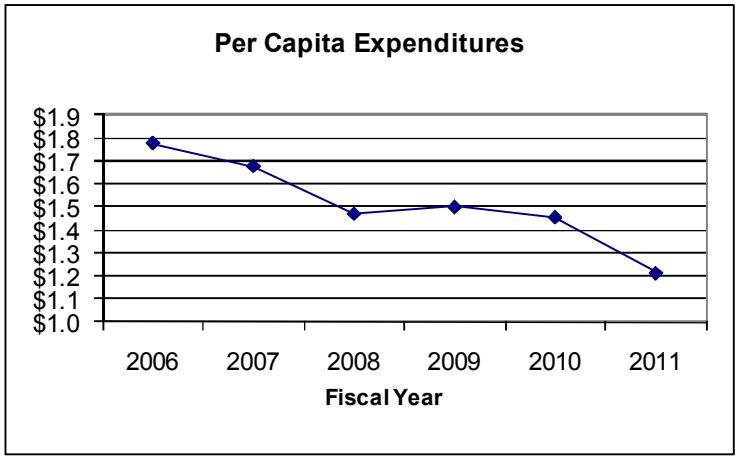
- The Office of the City Clerk preserves and provides accurate governing body legislative historical records. Responsibilities include preparing and delivering weekly agendas, attesting to and recording all official agreements, deeds and contracts, and ensuring all public notices comply with the applicable State Code and City Council policies.

- The City Clerk serves as City Clerk, Clerk of Council, and custodian of the City Seal. The City Clerk possesses authority to sign all City borrowed bond issuances and monitors City Council appointed boards, commissions, authorities and committees.

Trends and Issues

- In FY 2010-11, the decrease in the per capita graph is mainly related to the elimination of one Deputy City Clerk position. The City Clerk budget, while declining in FY 2010-11, will maintain current services to the extent possible. In addition, the City Clerk's media advertising and print shop budgets were reduced.

- In FY 2010-11, the Legislative department was split. The City Clerk's Office and the Municipal Council are shown as separate departments.



City Clerk - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
City Clerk	634,629	626,129	542,324	(83,805)
Total Expenditures	634,629	626,129	542,324	(83,805)
Revenues				
City Clerk	0	541	541	0
Total Revenues	0	541	541	0
General City Support	634,629	625,588	541,783	(83,805)
Total Department Expenditure	634,629	626,129	542,324	(83,805)
Total Department Revenue	0	541	541	0
Total General City Support	634,629	625,588	541,783	(83,805)

Position Summary by Program				
002 General Fund				
City Clerk	7.00	7.00	6.00	-1.00
Total	7.00	7.00	6.00	-1.00
Total Position Summary	7.00	7.00	6.00	-1.00

City Manager - Departmental Performance Report

City Manager

The mission of the City Manager's Office is to provide support and direction for the delivery of quality customer service to Virginia Beach citizens and visitors, City Council, City staff, and others to maintain and nurture a quality community. The City Manager serves as the executive and administrative head of the City government and coordinates and directs the complex groups within agencies and departments responsible for the delivery of City services to citizens.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Community						
Achieve City Council's Goals and Long-Term Strategies						
Coordination of City's Legislative Interests	#	3,293.0	3,323.0	3,289.0	3,409.0	3,213.0
Respond to Citizen Concerns	#	4,350.0	4,200.0	4,250.0	4,350.0	4,375.0
Increase Effectiveness, Productivity & Quality						
Client Evaluations of the Organizational Development Office	#	7.8	7.5	8.0	8.0	7.5
Client Events Held By the Organizational Development Office	#	293.0	265.0	308.0	358.0	295.0
Clients Served by the Organizational Development Office	#	4,188.0	3,641.0	4,347.0	5,190.0	3,981.0
Overall Satisfaction with City Services	%	94.0	93.4	94.0	94.0	94.0
Financial						
To Coordinate and Promote Volunteerism						
Value of Volunteer Service	$	18,576	13,156	18,576	18,576	18,576
Volunteer Hours	#	1,343.0	1,079.0	1,343.0	1,343.0	1,343.0

Major Changes

In total, the City Manager's Office budget for FY 2010-11 is $2,690,963. Overall, there has been a reduction of $378,344 in expenditures and a decrease of 3.2 FTEs when compared to the FY 2009-10 budget.

Change	Impact
Elimination of Military Liaison	• Reduces the manpower the City has available to assist in preserving and advancing the City's military presence.
Elimination of Executive Assistant (1 FTE)	• Requires other positions in the department to perform their normal job functions as well as absorb the duties of this position, including serving as the first point of contact for the City Manager's Office.
Elimination of Creative Designer and Production Coordinator (1 FTE)	• Design and production of all print projects will shift to a web designer in the Department of Communications and Information Technology. Projects such as brochures and information kits will be eliminated from public relations outreach plans.
Reduction of Media and Communication Coordinator Position (.5FTE)	• The following departments will use existing staff to conduct their own public relations: Parks & Recreation, Housing & Neighborhood Preservation, Agriculture, and Museums.
Elimination of Office Assistant (.7 FTE)	• Requires professional staff to absorb administration and data entry for assessments. Other support staff within the department and from other departments will be needed to support scheduling and produce reports.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

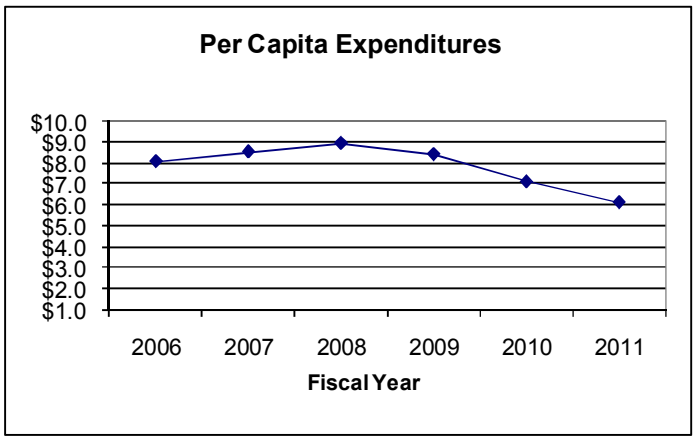
The City Manager's Office is divided into four main areas that provide functions to ensure that the City organization functions as a quality organization to support the community and meet City Council's goals.

- **City Manager's Staff** – Ensures City Council's goals and targets are planned and effectively implemented.
- **Organization Development Office** – Enhances and supports organizational performance and effectiveness through assessments, analysis, process improvement and successful implementation of strategies to achieve Council's vision.
- **Office of Volunteer Resources** – Responsible for encouraging the use of volunteers to support the diverse activities of the government and for the tracking and overall coordination of City volunteers once on staff.
- **Media and Communication Group** - Provides communication services to City officials, executive leadership and departments to inform and improve communications with citizens, promote civic engagement, manage issues and achieve strategic outcomes.

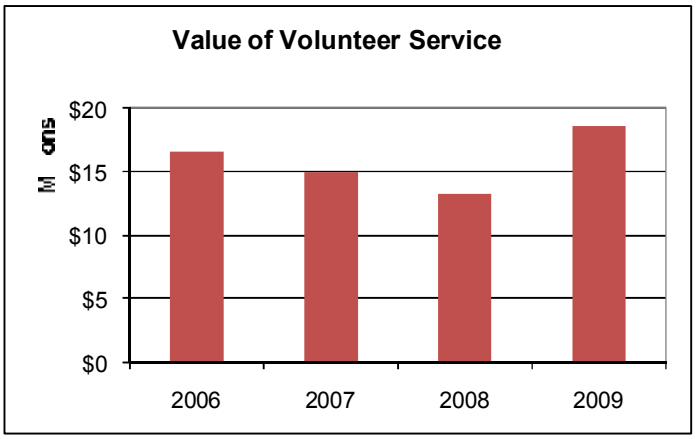
Trends and Issues

- In recent years, the biggest economic recession since the great depression has caused a great deal of uncertainty in the reliance and predictability of revenues for localities. Local revenues are spiraling down while State revenues to localities are being reduced in order to balance the State budget. The State of Virginia regulates localities ability to generate revenue leaving localities limited options as how to deal with this dilemma. One of these options being the elimination and reduction of services to the citizenry. The City Manager's Office has taken on recent economic challenges with a strategic forward thinking approach, ensuring an efficient organization and a focus on critical services to the community. The City Manager routinely examines the City of Virginia Beach's productivity and efficiency

throughout the organization and reports his finding through the "Striving for Excellence Report". In the 2009 report, it was reported that the City of Virginia Beach has saved $50 million over 10 years and had a cost avoidance of $46.9 million. These figures are the result of hundreds of productivity and quality initiatives making the City of Virginia Beach an efficient organization.



- The City Manager's Office, through its volunteer program efforts, managed to find, locate, and place over 18,000 working volunteers in FY 2008-09 at an estimated cost savings and cost avoidance value of $18,576,158. The value of volunteers and their services has begun to trend up in recent years. This is due to both a dedicated staff constantly searching and finding volunteer opportunities throughout the City and the commitment of an invaluable group of citizens who donate their time.



- Over the last five years, the City Manager's Office staffing has been reduced by 26%. This is a significant reduction in staffing for a department of this size; however, through innovative and cost efficient alternatives the department has been able to minimize the negative impact on the level of services offered.

- The City Manager's Office has reduced its budget by $21,529 in efficiency savings. These savings are the result of reducing multiple operating accounts within the department. Examples of these efficiency savings include the reduction of print shop charges and significant reductions in executive staff travel accounts. New technology is driving a fundamental shift in how the City communicates with its citizens. The Media and Communications Group has adapted by eliminating costly print advertising in favor of a bi weekly electronic newsletter to citizens, developing the City's official Facebook page, and moving to other social media vehicles. Since 2005, the Media and Communications Group has reduced the cost of services per citizen by 65%. These efficiency savings are not expected to significantly impact the level of services provided to the citizenry.

City Manager - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
City Manager	1,785,147	1,814,209	1,683,144	(131,065)
Organization Development Office	336,222	367,312	328,131	(39,181)
Office of Volunteer Resources	168,266	128,339	121,045	(7,294)
Media and Communications Group	1,127,704	759,447	558,643	(200,804)
Total Expenditures	3,417,339	3,069,307	2,690,963	(378,344)
Revenues				
Media and Communications Group	66,879	68,217	0	(68,217)
Total Revenues	66,879	68,217	0	(68,217)
General City Support	3,350,460	3,001,090	2,690,963	(310,127)
Total Department Expenditure	3,417,339	3,069,307	2,690,963	(378,344)
Total Department Revenue	66,879	68,217	0	(68,217)
Total General City Support	3,350,460	3,001,090	2,690,963	(310,127)

Position Summary by Program				
002 General Fund				
City Manager	13.00	13.00	12.00	-1.00
Organization Development Office	3.70	3.70	3.00	-0.70
Office of Volunteer Resources	2.20	1.50	1.50	0.00
Media and Communications Group	11.00	8.00	6.50	-1.50
Total	29.90	26.20	23.00	-3.20
Total Position Summary	29.90	26.20	23.00	-3.20

Commissioner of the Revenue - Departmental Performance Report

Commissioner of the Revenue

The mission of the Commissioner of the Revenue is to ensure the uniform and consistent assessment of applicable state and local tax codes while providing customer assistance on all tax related issues.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Business Accounts Assessed						
Business Accounts Adjusted	#	8,218.0	8,890.0	9,132.0	8,450.0	8,450.0
Business Licenses Assessed	#	27,800.0	32,164.0	30,859.0	28,500.0	28,500.0
Business Personal Property Assessed	#	26,000.0	28,747.0	28,561.0	26,000.0	22,000.0
Unlicensed Business Discovery	#	100.0	143.0	183.0	80.0	0.0
Provide Taxpayer Assistance						
DMV Select Transactions	#	58,000.0	54,319.0	40,837.0	58,000.0	60,000.0
Personal Property Accounts Assessed annually	#	536,171.0	608,442.0	576,528.0	550,000.0	530,000.0
Personal Property Tax Relief Applications	#	80,000.0	96,146.0	76,573.0	80,000.0	83,200.0
State Income Returns Assessed	#	63,500.0	101,325.0	68,959.0	63,500.0	30,100.0
Real & Personal Property Accounts Assessed						
Audits and Investigations	#	4,400.0	4,974.0	5,818.0	4,420.0	4,000.0
Personal Property Assessments (in millions)	$	95	114	99	95	80
Personal Property Manual Assessments (in millions)	$	15	21	19	15	13
Revenue Generated from All Assessments						
Bank Franchise Assessments (in thousands)	$	2,071	1,705	2,071	2,071	2,071
Business Tax Assessments Value (in thousands)	$	200,000	214,413	217,749	200,000	180,000
State Income Tax Assessments (in thousands)	$	15,000	33,330	18,690	15,000	9,000

Major Changes

For FY 2010-11, the Commissioner of the Revenue's budget totals $3,430,713, which is a reduction of $407,084, or 10.6% from the previous year; the reduction is a result of a decrease in City funding. As a result of the reduction, 11.68 positions were eliminated as well as reduction or elimination of some existing services. The budget for this department was prepared based on the latest information available at the time regarding the State budget. It will be adjusted once the State budget is finalized with the adjustments discussed with City Council prior to adoption.

Change	Impact
Reduction of $407,378 in City funding	• Loss of 11.68 positions due to City cuts • Reduced assessment of personal property accounts, business licenses, business personal property accounts, and trustee tax accounts • Reduced number of business audits • Hamper the ability to assess and collect approximately $18.6 million in personal property and $16.6 in business revenues

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The Commissioner of the Revenue is one of five elected Constitutional Officers in the City and, as such, is partially funded by the State Compensation Board. Presently, the Compensation Board reimburses 90% of the Commissioner's salary, and 50% of the 34 positions that receive State approved salary supplements. The State also reimburses for fringe benefits (VRS retirement, FICA, and VRS group life insurance) based on State approved salary amounts. In addition, the Compensation Board also reimburses 50% of the budgeted amount for specific office expenses (i.e., office supplies, internet access costs, stationary, postage, printing data processing services, telephone service, repairs, and the Commissioner's association dues). *Note: This is subject to change depending on the final outcome of the State budget for FY 2010-11.*

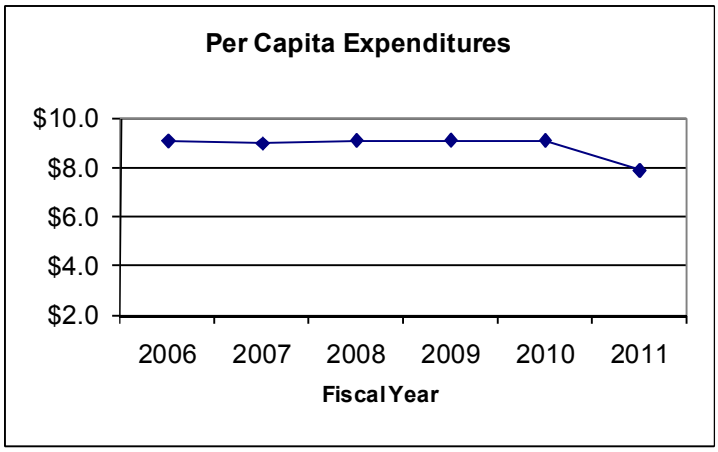
- The Commissioner of the Revenue's Office is responsible for the discovery, investigation, licensing, assessment, audit, prosecution and reporting of several tax levies – business license, tangible business property, machinery and tools, bank franchise, short term rental, meals, lodging, admissions, utility taxes and personal property. The Commissioner is also responsible for recording and taxation of the legal taxable entity for all real estate instruments and the archiving of data in a format which facilitates ready access, and the responsibility to provide processing and filing assistance for State income taxes.

- During FY 2005-06, the Commissioner of the Revenue entered into a contractual partnership with the Virginia Department of Motor Vehicles (DMV) to provide select DMV services, including vehicle titling, vehicle registrations, special and personalized license plate orders, dealer title and registration transactions, voter registration applications, and handicapped parking placards. The DMV provides the necessary equipment and forms to enable the Commissioner's Office to provide the contracted services while the Commissioner's Office is responsible for any necessary personnel and other expenses associated with the service. In its agreement with DMV Select sites, the DMV compensates each branch agency a percentage of gross collections made by the agency. Transactions handled by the Commissioner's Office are expected to generate sufficient revenue to cover any costs incurred by the City in providing these services.

Trends and Issues

- In FY 2009-10, the State did a mid-year budget reduction which impacted Constitutional Officers. As a result, State funding for the Commissioner's Office was reduced by $104,523 resulting in a total State reimbursement of $678,679. Based on currently available information regarding the State budget, the FY 2010-11 State funding for the Commissioner totals $675,973, which effectively maintains the reduced State funding amount from the previous year.

- Innovations and increased efficiencies have allowed the Commissioner's budget to remain relatively constant. Over the last eleven years, the number of employees in the Commissioner's unit has been reduced by 16.08 FTEs. The per capita expenditure has remained relatively unchanged over the past several years. The decrease in FY 2010-11 shown in the chart reflects a 12.9% reduction in local funding for the Commissioner's Office



- The DMV Select Program has proven to be self-supporting and even contributes excess revenues to the General Fund. When this program was established mid year in FY 2005-06, the DMV reimbursement rate was 3%%. As a result of increased gross revenues, the reimbursement rate has been increased to 5%. For FY 2010 11, revenue from this program is projected at $125,000, while costs are projected to be $84,000.

Council Amendment

On May 11, 2010, City Council voted to restore 6 positions in the Commissioner of the Revenue's Office. These positions are for the assessment of personal property and business licenses and properties.

Commissioner of the Revenue - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Commissioner of the Revenue	3,815,157	3,744,121	3,594,046	(150,075)
DMV Select	84,172	93,676	83,667	(10,009)
Total Expenditures	3,899,329	3,837,797	3,677,713	(160,084)
Revenues				
Commissioner of the Revenue	784,176	675,679	675,973	294
DMV Select	155,398	125,000	125,000	0
Total Revenues	939,574	800,679	800,973	294
General City Support	2,959,755	3,037,118	2,876,740	(160,378)
Total Department Expenditure	3,899,329	3,837,797	3,677,713	(160,084)
Total Department Revenue	939,574	800,679	800,973	294
Total General City Support	2,959,755	3,037,118	2,876,740	(160,378)

Position Summary by Program				
002 General Fund				
Commissioner of the Revenue	60.68	60.24	55.00	-5.24
DMV Select	2.93	3.37	2.93	-0.44
Total	63.61	63.61	57.93	-5.68
Total Position Summary	63.61	63.61	57.93	-5.68

Communications and Information Technology - Departmental Performance Report

Communications and Information Technology

The mission of the Department of Communications and Information Technology is to provide and support communications, information, and technology solutions to: enable City businesses, inform the community, and improve and promote quality of life and public safety.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Applications Lifecycle Maintenance/Expansion						
% of Services Rated as Very Satisfied	%	100.0	98.0	98.0	97.0	97.0
Applications Repair and Operations						
Percent of Service Calls Rated Very Satisfied	%	100.0	96.0	96.0	94.0	94.0
Enterprise Geospatial Information Services						
Number of GIS Products Produced Annually	#	40,000.0	35,118.0	37,663.0	38,000.0	38,500.0
Multimedia Services						
Hours of Programming Aired on VBTV	#	12,000.0	12,747.0	12,845.0	12,000.0	6,900.0
Number of Multimedia Projects Produced	#	250.0	248.0	256.0	250.0	222.0
Online Media File Plays via Official City Websites	#	200,000.0	185,381.0	189,019.0	195,000.0	160,000.0
Networking Repair and Operations (GF Tele)						
Availability of Wide Area Network Connections	%	99.9	99.7	99.5	99.3	100.0
Radio System Repair and Operations (GF Tele)						
Availability of Voice Radio System	%	99.9	0.0	0.0	100.0	100.0
Tech System Lifecycle Maintenance and Expansion						
% of All Computers Under 5 Years of Age	%	100.0	99.8	98.2	88.0	99.0
Technology Systems Repair and Operations						
Average Time to Resolve Break/Fix Requests (Days)	#	1.0	3.8	3.5	4.4	5.0
Avg. Time to Resolve Requests for New Services (days)	#	10.0	11.4	9.2	10.0	12.0
Voice Repair and Operations						
Average Number of Days to Complete Voice System Repairs	#	1.0	3.7	3.1	3.4	3.4
Internal Process						
GIS Basemapping						
Elements Created Annully	#	33,000.0	26,822.0	30,507.0	31,000.0	32,000.0
Technology Project Management						
Percent of Tech Projects Meeting All Objectives	%	90.0	80.0	78.0	85.0	70.0

Major Changes

In total, the Communications and Information Technology Department budget was reduced $1,133,044 or 3.6%, and nine positions were eliminated.

Change	Impact
Eliminated two Multimedia Service positions	• Reduces capacity to operate systems • Reduces programming on VBTV
Eliminated two Print Shop positions	• Reduces capacity to operate systems • Reduces Print Shop staffing due to budgetary reductions (especially Schools) • During busy hours, this will delay job completion from one hour to two
Eliminated one Business Center Clerk Typist position	• This will lengthen the time to process help calls • Backlogs for repairs will increase
Eliminated two Application Support positions	• This will slow the progress of the technology enhancement and renewal program • Upgrades will be deferred to a later date
Eliminated one System Support position	• This will slow the progress of the technology enhancement and renewal program
Eliminated one Technology Project Management Microsystem Analyst position	• Reduces the capability to manage applications testing during upgrades

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

Communications and Information Technology (ComIT) provides a technology foundation supporting all City/School departments and agencies. The department's services are built upon 10 operational areas:

- **Applications Support** - Analyzes, develops, tests, integrates, manages, and supports organizational mission critical systems.

- **Technology Project Management Office** – Provides project guidelines, processes, tools, procedural leadership, and training.

- **Support Center** - Manages data center operations and supports City enterprise IT hardware and software. The Support Center provides quality customer support services.

- **Business Center and Mail Services** - Responsible for departmental purchasing, human resources, payroll, accounts payable, reception, central support, print shop, telecommunication billing and mail delivery.

- **Information Security and Privacy Office** - Through administrative, technical, and physical controls, the team protects the City's electronic data and information technology infrastructure. They provide information security advice, perform security audits, and conduct privacy impact assessments.

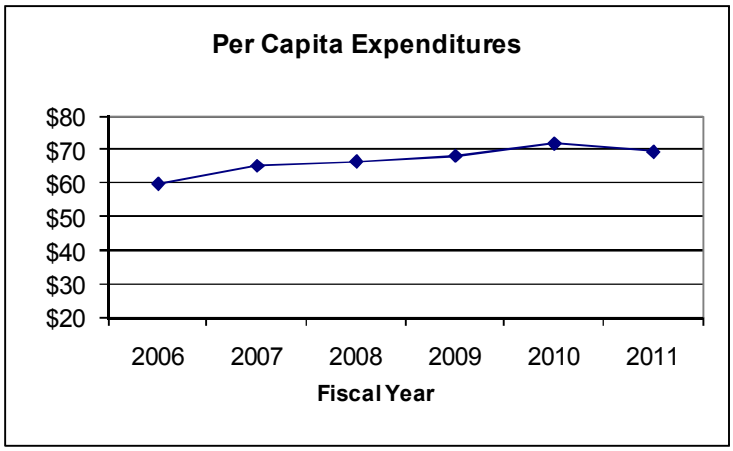
- **Multimedia Services** - Creates municipal government and public school informational, promotional, instructional, and emergency programming. The media modes are VBTV 46, 47, & 48, videotape, microwave, satellite, and multimedia

- **Systems Support** - Provides organizational computer, server, and network design, engineering, maintenance, repair, and support services.

- **Telecommunications** - Provides telephone, network and radio maintenance, support, contract administration, cable management, billing, dial tone provision, service coordination, and configuration changes

- **Center for Geo-spatial Information Services** - Provides geo spatial database warehousing, web based distribution services, data maintenance, importing/exporting, analyses, reporting, project management, and monthly Geo file loads.

- **City/School Printing** - Provides printing and mail distribution services. The services include delivery, printing, bindery, forms management, and copier contract administration.

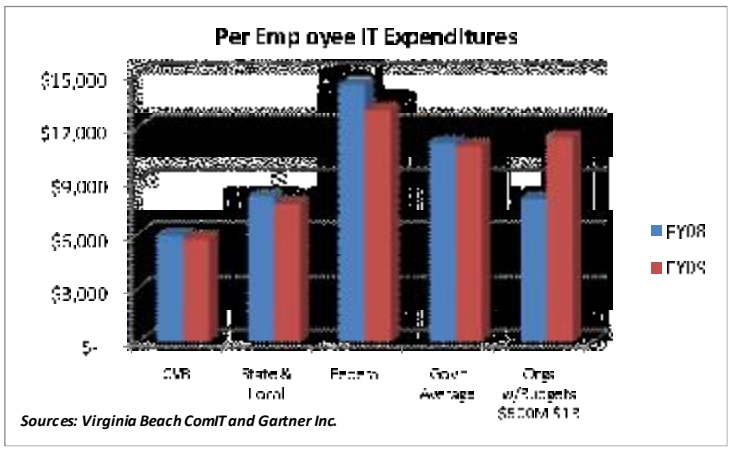


Trends and Issues

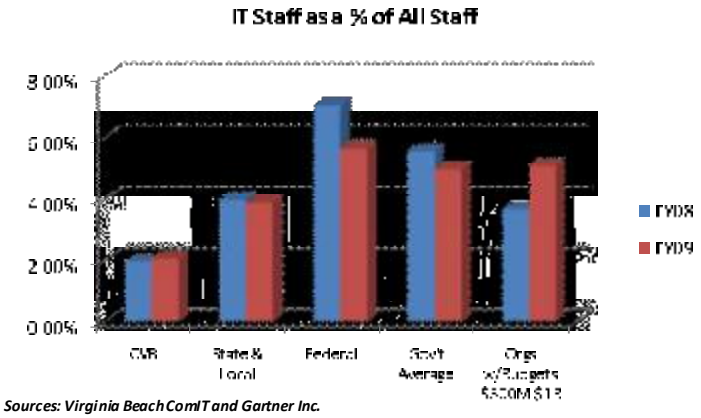
- A new contract was negotiated for departmental multifunction printers. The savings from this contract was approximately $600,000 and was used to avoid reductions in computer replacements and additional staff losses.

- While the City is continuing the computer replacement program, other localities are suspending or eliminating their programs. The replacement cycle has been revised to five years. Currently, only 216 computers are beyond the contract support age. At the end of FY 2011 12, one thousand nine hundred (1,900) computers would exceed the age of the support contract if computer replacement was suspended.

- Per employee, the City spends approximately $5,800 for information technology. Compared to State and other local governments ($8,000) and the Federal government ($13,700), this illustrates the need to fund information technology. The government average is $11,000.



Sources: Virginia Beach ComIT and Gartner Inc.



Sources: Virginia Beach ComIT and Gartner Inc.

- Approximately 720,000 pieces of out-going mail are processed annually.

- The average answer delay at the technology support center is 26 seconds.

- As a percentage of all employees, City IT staff comprises 2.1% of all City employees. State and other local governments (3.9%) and the Federal government (5.6%) have higher ratios. The government average is 5%.

- Approximately 2 million users visit the VBGov website.

Communications and Information Technology - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Multimedia Services	1,533,420	1,532,662	1,198,988	(333,674)
Mail Service	284,140	229,449	205,219	(24,230)
ComIT Business Center	620,228	691,218	644,147	(47,071)
Applications Support	6,116,503	6,873,101	6,926,700	53,599
Support Center	983,927	1,053,811	480,965	(572,846)
Systems Support	7,163,358	7,595,634	8,034,963	439,329
Center for Geospatial Information Services	1,448,231	1,664,680	1,717,757	53,077
Information Security and Privacy Office	420,325	407,641	403,869	(3,772)
Technology Project Management Office	468,232	585,377	690,158	104,781
GF Telecommunications	333	1,356,175	1,387,338	31,163
Total Expenditures	19,038,697	21,989,748	21,690,104	(299,644)
Revenues				
Multimedia Services	59,508	22,822	22,000	(822)
Mail Service	1,107	0	0	0
ComIT Business Center	1,901,011	1,954,992	1,956,500	1,508
Applications Support	916	0	0	0
Support Center	3,119	0	0	0
Systems Support	3,509	1,508	0	(1,508)
Center for Geospatial Information Services	7,377	0	0	0
Total Revenues	1,976,547	1,979,322	1,978,500	(822)
General City Support	17,062,150	20,010,426	19,711,604	(298,822)
604 Print Shop Internal Service Fund				
Expenditures				
City/Schools Printing Services	3,139,256	3,664,621	2,442,945	(1,221,676)
Reserve for Contingencies	0	327,433	210,567	(116,866)
Total Expenditures	3,139,256	3,992,054	2,653,512	(1,338,542)
Revenues				
City/Schools Printing Services	3,139,256	3,992,054	2,653,512	(1,338,542)
Total Revenues	3,139,256	3,992,054	2,653,512	(1,338,542)
General City Support	0	0	0	0
620 Telecommunications Internal Service Fund				
Expenditures				
Telecommunications	1,811,830	2,102,014	2,059,296	(42,718)
Reserve for Contingencies	0	696,145	721,548	25,403
Total Expenditures	1,811,830	2,798,159	2,780,844	(17,315)
Revenues				
Telecommunications	2,568,395	2,798,159	2,780,844	(17,315)
Total Revenues	2,568,395	2,798,159	2,780,844	(17,315)
General City Support	(756,565)	0	0	0

Communications and Information Technology - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
621 Subscriptions Internal Service Fund				
Expenditures				
Subscriptions	1,567,797	2,123,166	3,076,463	953,297
Reserve for Contingencies	0	430,840	0	(430,840)
Total Expenditures	1,567,797	2,554,006	3,076,463	522,457
Revenues				
Subscriptions	2,141,783	2,539,006	3,076,463	537,457
Reserve for Contingencies	0	15,000	0	(15,000)
Total Revenues	2,141,783	2,554,006	3,076,463	522,457
General City Support	(573,986)	0	0	0
Total Department Expenditure	25,557,580	31,333,967	30,200,923	(1,133,044)
Total Department Revenue	9,825,981	11,323,541	10,489,319	(834,222)
Total General City Support	15,731,599	20,010,426	19,711,604	(298,822)

Position Summary by Program

002 General Fund				
Multimedia Services	19.30	19.30	15.00	-4.30
Mail Service	5.00	4.00	4.00	0.00
ComIT Business Center	12.00	11.00	10.00	-1.00
Applications Support	37.00	49.00	48.00	-1.00
Support Center	8.50	8.50	2.80	-5.70
Systems Support	50.00	43.00	43.00	0.00
Center for Geospatial Information Services	18.00	18.00	18.00	0.00
Information Security and Privacy Office	3.00	3.00	3.00	0.00
Technology Project Management Office	5.00	5.00	6.00	1.00
GF Telecommunications	0.00	4.00	8.00	4.00
Total	157.80	164.80	157.80	-7.00
604 Print Shop Internal Service Fund				
City/Schools Printing Services	14.00	14.00	12.00	-2.00
Total	14.00	14.00	12.00	-2.00
620 Telecommunications Internal Service Fund				
Telecommunications	10.00	10.00	10.00	0.00
Total	10.00	10.00	10.00	0.00
Total Position Summary	181.80	188.80	179.80	-9.00

Finance - Departmental Performance Report

Finance

The mission of the Finance Department is through strong leadership, deliver comprehensive financial and business services, and protect the City's resources in a high quality, cost effective, and innovative environment that inspires trust and supports our community for a lifetime.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Financial						
City Payroll Operation Management						
Validation of Pay Reports	#	480.0	480.0	480.0	480.0	480.0
Debt Management and Other Administration						
Debt Service Payments	#	275.0	250.0	260.0	275.0	275.0
Financial Reporting Oversight						
Compliance for State & Federal Reports (millions)	$	194	202	213	194	190
Days to Prepare Monthly Interim Financial Statements	#	10.0	9.0	10.0	10.0	13.0
Grant Financial Review	#	322.0	275.0	322.0	340.0	322.0
IDTs and Charges Processed	#	16,000.0	11,833.0	15,076.0	16,000.0	10,000.0
Recordation of Asset Value/Depreciation/Retirement (billions)	$	5	4	5	5	0
Minority/Women Maximum Participation						
Minority Business - Minority Expenditures (millions)	$	123	96	123	123	135
Payable Expenditure Compliance Audits						
Average Days to Process Payment	#	8.0	5.0	8.0	10.0	13.0
Invoices Processed per FY	#	139,000.0	148,820.0	139,227.0	146,301.0	139,000.0
Number of P Card Transactions Reviewed	#	19,600.0	16,799.0	17,745.0	19,600.0	20,500.0
Purchasing - Competitive Maximization						
Dollar Volume in Purchase Orders (millions)	$	227	224	227	227	227
Formal Solicitations	#	141.0	159.0	141.0	141.0	141.0
Standard PO Processing Time (days)	#	6.0	4.8	5.4	6.0	6.0
Worker Compensation Claim Management						
Worker's Compensation Claims Filed	#	864.0	800.0	814.0	864.0	900.0
Worker's' Compensation Claim Dollars (millions)	$	7	6	7	7	7
Internal Process						
City Payroll Development						
Ratio of Department PALS Staff to Payroll Staff	#	31.0	31.0	31.0	31.0	31.0
Retirement Counseling Sessions	#	800.0	627.0	754.0	800.0	800.0

Major Changes

Three positions were e iminated and additional funds were budgeted to the Risk Management Interna Services Fund.

Change	Impact
Director Office Analyst position eliminated	• Reduces accountability and transparency • Eliminates long term debt and Tax Increment Financing/Special Service District reports • Reduces debt refunding interest rate opportunities • Reduces tax ana ysis capabi ities • Eliminates specia project support
Comptroller - Account Clerk position and contractual manpower funding eliminated	• IDT processes will be reduced • Administrative support will be shifted and potentially eliminated • Support for managing fixed assets and for managing financial transactions for capital projects will be reduced
Increased funding to Risk Management Internal Services Fund	• Self-insured worker's compensation, general liability, and automotive liability costs require an additional $1 million to meet expected claims
Purchasing Department - Account Clerk position eliminated	• Professional staff will be required to assume duties shifting time away from primary responsibilities • Communications and nformation Techno ogy's approval process will slow • The records management duty wi l be reassigned • Potential procurement advertising issues may occur • Reduction in compliance reviews

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The Finance Department is funded through general City taxes and fees. The Risk Management Fund, the City's self-insurance fund, charges all costs back to the various services and programs throughout the City. The department ensures direction, planning, and coordination of financial services through:

- **Debt Management** - To support the approved Capital Improvement Program (CIP) debt requirements, provides debt planning, bond issuance, administration, and analysis of taxable debt, IRS and SEC reporting, and monitoring of interest rate environment for potential refunding of debt issues.

- **Payroll** - Prepares City employee payroll, manages tax reporting and compliance, manages VRS programs, manages garnishments, liens, and pay deductions.

- **Comptroller** - Responsible for preparing financial reports and data for distribution, validate grant and CIP financial data, process all invoices and City payments, oversees accounting policies, transactions, and fixed asset reporting.

- **Purchasing** – In accordance with State laws, processes al purchasing requisitions, is responsible for surp us property, and manages the bidding and competitive negotiation processes.

- **Risk Management** - dentifies and evaluates all City risks, manages loss contro programs, identifies and places insurance and make workers' compensation adjustments and civi liability c aims.

Trends and Issues

- Risk management general liability and auto liability claims against the City are expected to remain flat at $4 million and 501 cases per annum. Claims against the City average 600 per annum and cost $1,476 on average.

- City payroll for approximately 7,700 employees will continue including verifications and policy setting for internal controls.

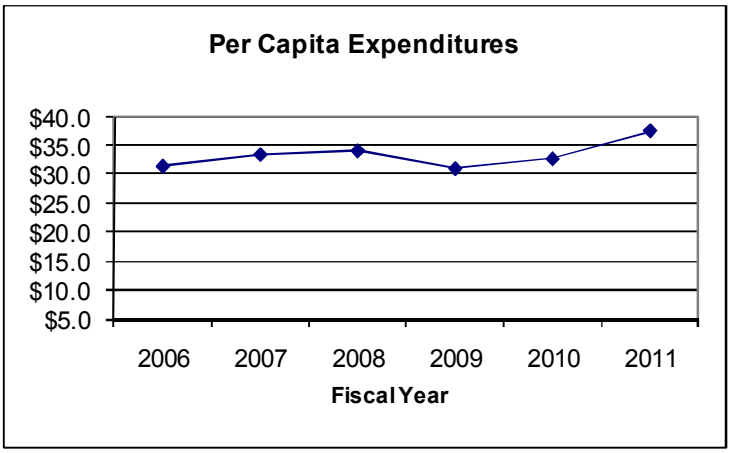
- W 2 forms processed will remain flat at 8,500. Since 1995, this represents a growth of 31%.

- The number of local and regional organizations being guided on behalf of the City will remain flat at eight.

- Over the last 10-20 years, revenues, assets, invoices, grants and debt has grown at a triple digit rate. In the past 10 years, invoice volume has doubled to $600 million annually.

- Over the last eleven years, the number of grants has grown 906%. In FY 2009, 322 grants were processed. There has been an increase in the number of audits and reports for Federal, State, and other grant entitlements and funding matches.

- The Government Accounting Standards Board and Government Finance Officers Association are requiring more internal controls, transparency and audit and fraud monitoring "best practices."



- Construction, technology and service contracting purchases are becoming more complex.

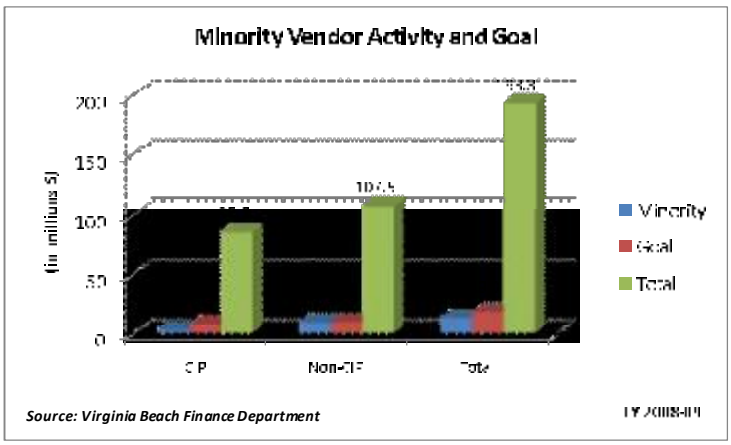
- Risk management worker's compensation and liability claims require more detailed information be provided to departments to assist with the mitigation of costs.

- Because of changes in technology, processes, and staff, the current operating environment is considered high risk.

- Participation in the Minority Business Council initiative is growing annually, but it is not meeting the City Council goal of 10%.

- In FY 2009, there were 814 worker compensation claims. Worker compensation claims are being adversely affected by escalating indemnity/loss wage payments.

- Through the competitive procurement process, the Purchasing Department saves the City $22 $30 million annually.



Finance - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Director's Office	855,861	867,798	727,254	(140,544)
Local Vehicle Registration	769,165	894,908	852,772	(42,136)
Comptroller's Office	1,290,178	1,359,651	1,344,650	(15,001)
Payroll	640,064	663,312	691,542	28,230
Purchasing	1,071,710	1,162,452	1,074,998	(87,454)
Total Expenditures	4,626,978	4,948,121	4,691,216	(256,905)
Revenues				
Director's Office	20,078	23,000	26,500	3,500
Local Vehicle Registration	530,624	614,000	614,000	0
Payroll	21,792	26,300	26,300	0
Purchasing	0	3,699	0	(3,699)
Total Revenues	572,494	666,999	666,800	(199)
General City Support	4,054,484	4,281,122	4,024,416	(256,706)
607 Risk Management Internal Service Fund				
Expenditures				
Risk Management Insurance Payments	9,680,239	8,479,515	10,972,799	2,493,284
Risk Management	600,232	651,585	620,534	(31,051)
Reserve for Contingencies	0	25,920	0	(25,920)
Total Expenditures	10,280,471	9,157,020	11,593,333	2,436,313
Revenues				
Risk Management Insurance Payments	59,310	0	0	0
Risk Management	10,221,161	9,157,020	11,593,333	2,436,313
Total Revenues	10,280,471	9,157,020	11,593,333	2,436,313
General City Support	0	0	0	0
Total Department Expenditure	14,907,449	14,105,141	16,284,549	2,179,408
Total Department Revenue	10,852,965	9,824,019	12,260,133	2,436,114
Total General City Support	4,054,484	4,281,122	4,024,416	(256,706)

Position Summary by Program				
002 General Fund				
Director's Office	8.00	8.00	7.00	-1.00
Comptroller's Office	19.00	19.00	18.00	-1.00
Payroll	9.00	9.00	9.00	0.00
Purchasing	14.00	14.00	13.00	-1.00
Total	50.00	50.00	47.00	-3.00
607 Risk Management Internal Service Fund				
Risk Management	7.00	7.00	7.00	0.00
Total	7.00	7.00	7.00	0.00
Total Position Summary	57.00	57.00	54.00	-3.00

General Registrar - Departmental Performance Report

General Registrar

The mission of the General Registrar is to maintain the current registration and elections process for Virginia Beach voters at three locations, to meet mandatory State and Federal standards for access to voter registration and to handle the regulations of the National Voter Registration Act, Help America Vote Act and State Board of Elections policies. Also to provide convenient ways for citizens to change voter registration records, vote by absentee ballot and pursue their candidacies for office.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Provide Current Registration of All Voters						
Registered Voters	#	281,000.0	288,978.0	281,088.0	281,800.0	283,000.0
Registered Voters Served by Each Registrar	#	22,000.0	25,444.0	23,275.0	22,910.0	23,008.0
Provide Ways for Citizens to Change Registrations						
Registration Adds and Changes Made	#	27,000.0	62,141.0	26,852.0	27,000.0	27,000.0
Registration Adds and Changes Made Per Staff Member	#	2,500.0	3,452.0	2,441.0	2,500.0	2,500.0

Major Changes

In total, the General Registrar's budget decreased by $139,816 from FY 2009-10 to FY 2010-11.

Change	Impact
The General Registrar's budget for election officials and temporary workers is reduced in FY 2010-11	• The impact of these reductions may result in longer wait lines at polling locations during election periods • The reduction in contract election officials equates to approximately 188 officials • Contracted temporary workers help process information into the State databases during elections, the Registrar will need to reallocate existing resources in order to complete deadlines for processing information
Reduction in Election Services Contract	• The General Registrar contracts with a vendor to provide support during election periods for its voting equipment which includes onsite support and assistance with technical issues, the impact of this reduction may result in longer wait lines due to less electronic pollbooks available to use during election periods

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The State reimburses the City for the General Registrar's salary. Reimbursements are also received for the Electoral Board members' salary and mileage. The General Registrar's Office maintains the current registration and elections process for Virginia Beach voters and supports 95 precincts by:

- Complying with mandatory State and Federal standards and guidelines of the Voting Right Act and Help America Vote Act of 2002.

- Offering two satellite offices in local Department of Motor Vehicles (DMV) facilities.

- Providing convenient ways for citizens to register to vote, change voter registration records, vote by absentee ballot, and pursue their candidacy for office.

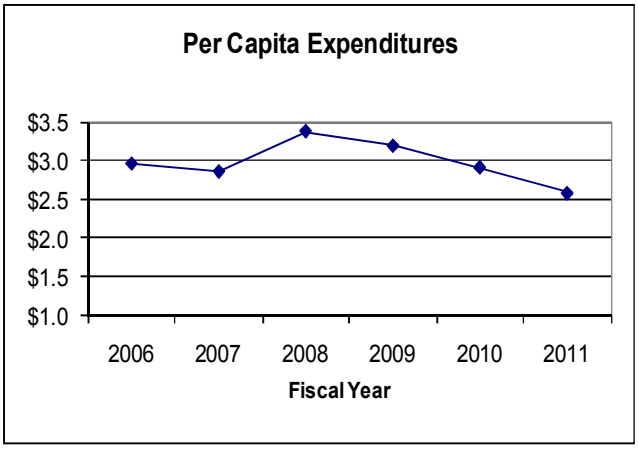
- Handling mail registration sites at the U.S. Post Offices, City Schools, City recreation centers, in person registration at DMVs, public libraries, Department of Human Services and the Offices of the City Treasurer, Commissioner of the Revenue, Clerk of the Circuit Court, Sheriff's Office and two local companies.

- Maintaining and checking the campaign financial reports of all local candidates.

Trends and Issues

- The increase during FY 2007-08 in per capita expenditures is a result of the office purchasing additional electronic devices to verify voter precinct locations due to an under supply over the years of splitting precincts. No additional precincts are anticipated to be split or added in the FY 2010-11 budget. The decline from FY 2007-08 to FY 2010-11 is a result of less funding for the office for temporary workers and office supplies. The budget provides funding to oversee the elections of the President, U.S. Senate, U.S. House of Representatives, State Senate, House of Delegates, City Council and School Board.

- Redistricting for the City will occur in FY 2011-12 and several polling locations will be affected requiring advertisements to be run as required by law and more voter cards and letters to be mailed to affected citizens.



General Registrar - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
General Registrar	1,498,690	1,264,732	1,124,916	(139,816)
Total Expenditures	1,498,690	1,264,732	1,124,916	(139,816)
Revenues				
General Registrar	100,040	105,520	97,118	(8,402)
Total Revenues	100,040	105,520	97,118	(8,402)
General City Support	1,398,650	1,159,212	1,027,798	(131,414)
Total Department Expenditure	1,498,690	1,264,732	1,124,916	(139,816)
Total Department Revenue	100,040	105,520	97,118	(8,402)
Total General City Support	1,398,650	1,159,212	1,027,798	(131,414)

Position Summary by Program				
002 General Fund				
General Registrar	12.03	12.03	12.03	0.00
Total	12.03	12.03	12.03	0.00
Total Position Summary	12.03	12.03	12.03	0.00

Human Resources - Departmental Performance Report

Human Resources

The mission of the Department of Human Resources is to facilitate the recruitment, retention and development of a sustainable quality workforce and its alignment with the City's strategy.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Assist in Timely Recovery & Return to Work						
Cost savings per nurse hour	$	25	19	19	25	0
Assist with Human Rights Inquiries/Complaints						
Number of citizen complaints/inquiries addressed	#	18.0	23.0	18.0	18.0	18.0
Enhance Communication and Understanding						
Participants Satisfied with Member Conversations	%	95.0	99.5	98.5	97.0	97.0
Manage the Sick Leave Bank/Donation Program						
Sick Leave Bank Applications Processed	#	106.0	108.0	106.0	106.0	106.0
Perform Strategic Recruitment & Selection Process						
Qualified Employees Recruited and Hired Within 60 Days	%	65.0	70.0	65.0	65.0	65.0
Provide Medical Services for Employees						
Medical examinations/Health Screenings/Nursing Services	#	14,750.0	14,844.0	14,500.0	14,750.0	14,750.0
Internal Process						
Provide Timely and Accurate Personnel Transactions						
Personnel Transactions reviewed and processed in five (5) days	#	15,000.0	15,000.0	15,000.0	15,000.0	15,000.0
Learning & Growth						
Provide Mandated Safety Services						
Completed annual DMV checks	%	94.0	95.0	95.0	97.0	92.0
Employees Attending Occupational Safety Courses	#	6,000.0	6,214.0	6,000.0	6,000.0	6,000.0
Safety related ergonomic/indoor air quality evaluations	#	200.0	175.0	175.0	200.0	200.0
Provide Training						
Employees Attending Training Courses	#	5,164.0	4,926.0	6,049.0	5,164.0	4,536.0

Major Changes

In total, the Department of Human Resources was reduced by $378,042 and reduced by 7.13 FTEs

Change	Impact
Human Rights Commission • Elimination of Community Relations Specialist	• The impact of eliminating this position is a decrease in educational and informational programs to promote mutual understanding, respect and fewer studies to help improve human relations within the City.
Learning and Development • Elimination of Human Resources Analyst	• The Learning and Development program provides citywide training to employees that enhance their knowledge, skills and abilities along with raising competency levels. The impact of eliminating this position will result in a reduction of classes offered such as New Member Orientation and Integrity Connection.
Occupational Health and Safety • Elimination of Occupational Safety Manager	• The impact of eliminating this position will result in existing staff handling medical risks for employees and a loss of available people to staff the clinic which will create an increase in wait times and increase the risk of liabilities.

Reduction of Program Support
• Elimination of Administrative Specialist
• Office Assistant
• Clerk
	• Remaining Human Resource Analysts will need to redistribute work as a result of eliminating this position, which will result in delays to responding to inquiries for reports and research studies, market salary surveys, and maintaining pay plans and job descriptions for employees.
	• The Department of Human Resources relies on staff to provide a variety of functions that help support its various programs. The impact of eliminating these program support positions will result in the following:
	  • Eliminating the welcome and retirement letters to employees and delays in member conversation feedback compilation.
	  • A decrease in providing annual DMV checks in a timely manner for employees.
	• A decrease in assisting applicants and responses to inquiries concerning the application process.

Leave and Policy Administration • Elimination of Human Resources Analyst	• The result of eliminating this position will be a delayed responsiveness to consultations with departments, reduced City policy training sessions and a delay in the review and development of disciplinary actions and performance action plans.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

Funding for Human Resources comes primarily from general City revenues. The department collects a small amount of revenue to support the employee newsletter, "The Beam." The services provided by the Department of Human Resources are divided into the following areas:

- **Staffing and Compensation** – Coordinates and oversees the City's recruitment, test administration, selection processes, and administration of the City's compensation system. This division provides technical assistance to all departments,

employees and applicants on matters which affect the selection, classification and pay of employees. They support the City's commitment to ensuring pay equity by conducting position evaluations and salary analyses.

- **Learning and Development** – Provides a citywide training program that supports the City's strategic plan, workforce planning and development activities, and individual departmental needs throughout the employee's career. The E-Learning and Tuition Reimbursement Programs (proposed for elimination in FY 2011) are administered through this office as well.

- **Workforce Planning and Development** – Coordinates the development of departmental plans that will anticipate and design ways to meet the needs of the City's current and future workforce.

- **Human Rights Commission** - Conducts and engages in educational and informational programs to promote mutual understanding among citizens, serves as a forum for discussion of human rights issues, conducts studies and proposes solutions for the improvement of human relations, and provides referral assistance to persons who believe their rights have been violated.

- **Equal Employment Opportunity (EEO)/Diversity Program** - Provides consultative services to departments in managing their EEO/Diversity programs, advises and investigates EEO/ADA related complaints and issues, and provides training that will raise awareness for both employees and managers.

- **HR/Police Services** - Administers the police performance feedback program, coordinates the police selection process, provides professional support for police command staff, provides consultation regarding employee disciplinary and performance issues, and conducts exit interviews and other research of employee retention issues for the Police Department.

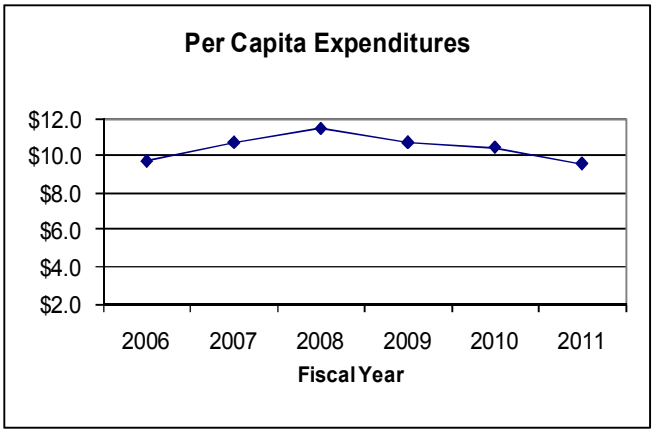
- **Employee Relations** - Focuses on maintaining effective management and employee relationships. The division provides technical advice and assistance to departments regarding human resource policies and procedures, performance management and counseling, performance and discipline based actions, an alternative dispute resolution process, member recognition programs, leave management and administration, and work life issues.

- **Occupational Health and Occupational Safety** – Conducts pre-placement and annual medical examinations that screen for correctable risk factors. Poor vision, hearing and general health have a direct bearing on productivity and safety/risk factors which is measurable. Occupational Safety supports City operations conducting ergonomic evaluations of work stations, indoor air quality testing, job hazard studies and safety compliance training.

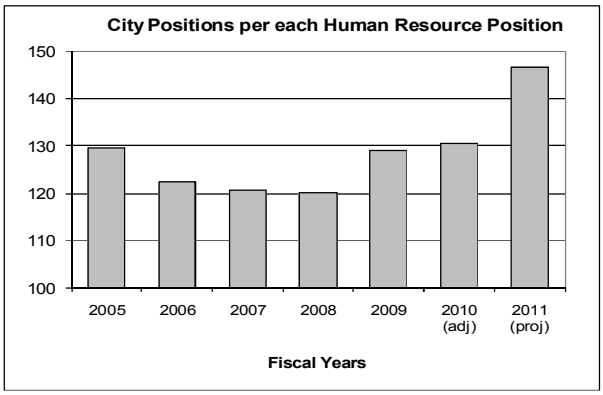
Trends and Issues

- As the graph to the right illustrates, the increase in expenditures between FY 2006-07 and FY 2007-08 is attributable to increased personnel costs, a transfer of one position from Risk Management as well as a transfer of funding for the E-Learning curriculum

- Expenditures for Human Resources are declining in FY 2010-11 in comparison to FY 2009-10 and follows two previous years of decline. This is attributable to the department's loss of 7.13 positions in FY 2010-11 and a reduction in funding for E-Learning courses. The decreases from FY 2007-08 to the current fiscal year are also attributable to decreases in personnel.



- The graph shows the ratio of City employees to Human Resources employees. City positions per Human Resource employee have increased from 130 to 146 to every Human Resources position between FY 2009-10 and FY 2010-11. In addition, the number of applications received for City positions is increasing from 34,770 in FY 2007-08 to 36,163 in FY 2008-09 due to the economy and high regional unemployment.



- E Learning courses were reduced by $20,000 in FY 2010-11, however; a viable E Learning program can be maintained due to core programs that are still offered.

- The City's Tuition Reimbursement Program is proposed for elimination as part of the FY 2010 11 budget. Eligible employees will no longer receive reimbursement for college level courses taken to enhance their education and training. The program is administered by Human Resources with funding provided in the Non Departmental section of the budget.

- The department examined its FY 2010 11 budget and was able to reduce it by $5,471 for efficiency savings to the City without impacting the services it provides.

Council Amendment

On May 11, 2010, City Council voted to restore 1.0 FTE ($64,050) for the Human Rights Commission Staff.

Human Resources - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Director's Office	981,387	960,669	862,293	(98,376)
Employee Relations	384,809	445,676	401,840	(43,836)
Staffing and Compensation Services	1,108,066	1,206,319	1,179,884	(26,435)
Learning and Development	694,028	678,009	570,445	(107,564)
HR Police Services	87,523	86,139	90,727	4,588
Occupational Safety	350,188	376,687	248,365	(128,322)
Occupational Health	770,504	782,572	868,525	85,953
Total Expenditures	4,376,505	4,536,071	4,222,079	(313,992)
Revenues				
Director's Office	19,829	20,867	20,867	0
Total Revenues	19,829	20,867	20,867	0
General City Support	4,356,676	4,515,204	4,201,212	(313,992)
Total Department Expenditure	4,376,505	4,536,071	4,222,079	(313,992)
Total Department Revenue	19,829	20,867	20,867	0
Total General City Support	4,356,676	4,515,204	4,201,212	(313,992)

Position Summary by Program				
002 General Fund				
Director's Office	10.50	10.50	9.00	-1.50
Employee Relations	6.00	6.00	5.00	-1.00
Staffing and Compensation Services	18.63	17.63	16.00	-1.63
Learning and Development	6.00	6.00	5.00	-1.00
HR Police Services	1.00	1.00	1.00	0.00
Occupational Safety	5.00	5.00	3.00	-2.00
Occupational Health	7.00	7.00	8.00	1.00
Total	54.13	53.13	47.00	-6.13
Total Position Summary	54.13	53.13	47.00	-6.13

City Attorney - Departmental Performance Report

City Attorney

The Virginia Beach City Attorney's Office mission is dedicated to providing effective and efficient legal services, promoting accountability, trust and openness in government and focusing on outcomes that are fair, equitable and balanced while protecting the best interests of the client.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Financial						
Maximize Efficiency of City Legal Services						
Effective Rate of All Legal Services per Hour	$	115	115	118	115	115
In-House Attorney Costs per Hour	$	100	99	102	100	100
Outside Counsel Costs per Hour	$	310	336	280	310	310
Maximize Efficiency of School Legal Services						
Direct In-house School Service Hours	#	4,125.0	4,316.0	4,149.0	4,125.0	4,125.0
In-House Attorney Costs per Hour	$	81	70	81	81	81
Outside Counsel Cost per Hour	$	218	201	218	218	218

Major Changes

In total, the City Attorney's budget decreased $314,998 or 8.1%. This includes the elimination of 2.65 positions.

Change	Impact
Office Assistant position eliminated	• The elimination of this position will require the rotation of this duty among existing staff, volunteers will be sought to assist.
One Paralegal position eliminated and one reduced to part time	• The elimination and reduction will require a larger workload on current paralegals and additional paralegal duties may devolve to attorneys.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The City Attorney's Office is organized into five functional sections:

- **Policy and Administration** - Provides legal services in support of core governmental and administrative functions, including public policy, public facilities, human resources, public finance and public safety. This section has the primary responsibility for drafting policies, ordinances and resolutions, drafting opinions on legal issues posed by City departments and officials, and ensuring compliance with State and Federal laws, including COIA, FOIA and Title VII.

- **Real Estate, Infrastructure and Development** - Provides legal services for the acquisition, maintenance and operation of the City's infrastructure and to support development activities intended to enhance the City's tax base. These attorneys are engaged in all aspects of municipal real estate and development, including title searches, drafting deeds, complex transactional documents, litigation and eminent domain cases. The attorneys in this section also have responsibility for legal services in support of the City's APZ-1 and TA Acquisition Programs to reduce encroachment around NAS Oceana.

- **Land Use** - Performs legal tasks involved in the development, implementation, administration and enforcement of the City's zoning, land use (including ACUZ-related), environmental, agricultural, and neighborhood preservation programs. In addition, the land use attorneys act as the primary legal counsel to the Planning Commission, Board of Zoning Appeals, Wetlands Board, Chesapeake Bay Preservation Area Board, Agricultural Advisory Commission, Bayfront Advisory Committee, Green Ribbon Committee, Workforce Housing Advisory Board and Military Economic Development Advisory Committee.

- **Litigation** - Provides representation in all civil litigation cases involving the City, its departments, boards, commissions, employees and volunteers. Representation includes defending and prosecuting tort claims, civil rights claims, collection actions, contract disputes and construction claims. In addition, the litigation section represents the Department of Social Services in cases seeking to protect at risk children and handicapped or elderly adults from abuse and neglect. Litigation attorneys are also actively involved with the Risk Management Division and other City departments in evaluating and minimizing potential exposure to tort and contract claims before they arise.

- **Public Education** - Provides legal services in support of core public education and administrative functions including student issues, human resources, School Board policies, administrative support and public policy issues, and school finance matters. Supplemental services in support of the School Board's initiatives include litigation and real estate services. All work is performed through a cooperative agreement with the School Board that mandates a minimum number of legal service hours per year.

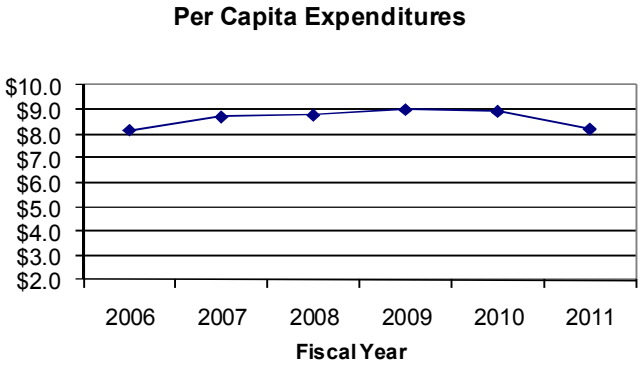
Trends and Issues

- The number of direct in house service hours should remain consistent at approximately 39,000, which should represent approximately 93% of all legal service hours provided to the City and Schools.

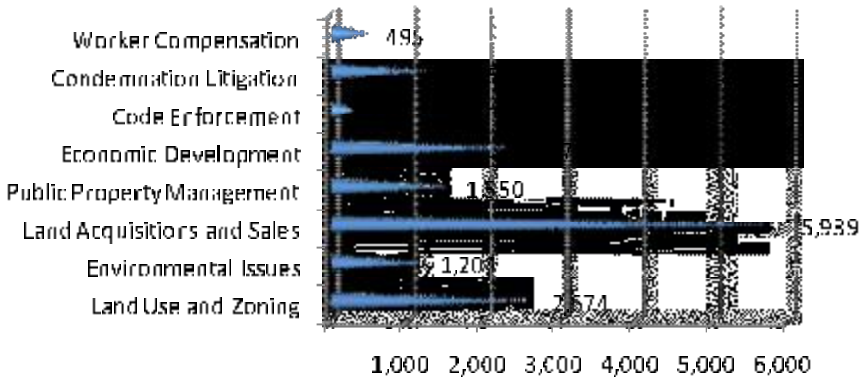
- The average cost of in house service hours provided to the City should remain approximately $100 per service hour. Where necessary, outside counsel costs will be substantially higher ($280/hour or more).

- The City Attorney's Office will provide more than 4,125 hours to the School division at an effective in house rate of approximately $81 per hour.

- While position reductions were made, the new staffing composition should not compromise the quality of legal services provided or the level of responsiveness perceived by the clients.



- In FY 2009, the department provided 38,821 hours of legal services utilizing in house attorneys. Of significance in FY 2009:
  - Land use and zoning activities consumed 2,674 hours
  - Environmental issues used 1,204 hours
  - Acquisitions/sale of properties 5,939 hours
  - Public property management 1,550 hours
  - Economic development 2,371 hours
  - Code enforcement 279 hours
  - Responded to 591 Freedom of Information Act (FOIA) requests (made copies of 22,335 documents)
  - Issued 23 opinions
  - Prepared 214 ordinances
  - Devoted 5,575 hours to social services representation in over 400 cases
  - Spent 1,235 hours in condemnation litigation
  - Expended 495 hours defending workers compensation claims



Source: Virginia Beach City Attorney and Department of Management Services

City Attorney - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
City Attorney	3,654,284	3,875,841	3,560,843	(314,998)
Total Expenditures	3,654,284	3,875,841	3,560,843	(314,998)
Revenues				
City Attorney	523	0	0	0
Total Revenues	523	0	0	0
General City Support	3,653,761	3,875,841	3,560,843	(314,998)
Total Department Expenditure	3,654,284	3,875,841	3,560,843	(314,998)
Total Department Revenue	523	0	0	0
Total General City Support	3,653,761	3,875,841	3,560,843	(314,998)

Position Summary by Program				
002 General Fund				
City Attorney	43.00	43.00	40.35	-2.65
Total	43.00	43.00	40.35	-2.65
Total Position Summary	43.00	43.00	40.35	-2.65

Management Services - Departmental Performance Report

Management Services

The mission of Management Services is to provide program, fiscal and budgetary policy development and analysis support services to the City Manager, and through the City Manager to City Council for use in formulating City policy.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Communicate Resource Issue & Decisions						
% Taxpayers Feel They Get Good Value	%	77.2	74.2	77.2	77.2	77.2
Commuication Events	#	20.0	20.0	18.0	25.0	21.0
Responses to Citizen Inquiries/FOIA Requests	#	10.0	26.0	10.0	10.0	10.0
Complete Ordinances & Resource Issues for Review						
Adjustments Made to CIP and Budget	#	360.0	364.0	365.0	360.0	360.0
Grants Reviewed	#	45.0	42.0	43.0	45.0	47.0
Ordinances & Agenda Requests Completed	#	120.0	88.0	141.0	120.0	120.0
Financial						
Biennial Resource Management Plan						
Average Value of Community Organization Grants	$	14,500	13,858	14,179	20,051	20,051
Employees Receiving Budget Training	#	359.0	25.0	25.0	359.0	300.0
Government Expenditures Allocated to Debt Service	%	7.5	7.5	7.5	8.0	7.8
Number of Incentive Community Organization Grants	#	13.0	17.0	14.0	11.0	13.0
Variation Between Revenue Estimates and Acutal	%	0.8	0.8	2.6	0.8	0.8
Internal Process						
Management Support For City Manager & Council						
Fiscal Impact Analysis Conducted	#	4.0	4.0	4.0	4.0	4.0

Major Changes

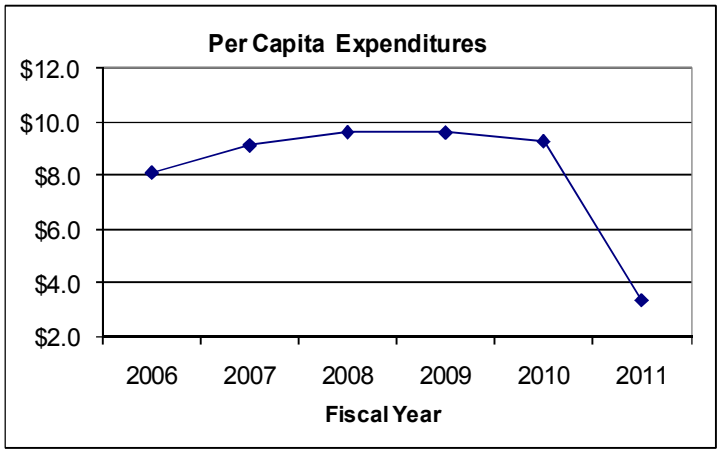
In total, the Department of Management Services budget for FY 2010-11 decreased by $2,586,210 or 64.1%. The department's proposed budget also includes the reduction of 1.0 position and the transfer of 4.0 others.

Change	Impact
Transition of Facilities Management Office to the Strategic Growth Area (SGA) Office • Transfer of 2.0 FTE's from the Facilities Management Office to the SGA Office • Transfer of 1.0 FTE from the Department of Management Services to the SGA Office • Transfer of 1.0 FTE to Planning to provide staffing to the City's energy and sustainment function	• This transfer is part of the reorganization and expansion of the City's SGA Office and the creation of dedicated staff for energy and sustainability policy issues. Over the next few months, staff will be working to determine the reallocation of the duties of the Facilities Management Office. • As a part of this reorganization, lease payments have been moved from Management Services to the Non-Departmental section of the budget.
Elimination of the Community Organization Incentive Grant Program • Reduction of 1.0 FTE	• This will eliminate the City's Community Organization Incentive Grant Program (COG) and the support staff position for this program. The Incentive program provides start up grants to existing not-for-profit organizations to begin new programs to assist residents of Virginia Beach. Management Services has staffed the City Council appointed committee meetings; provided copy and mailing support, analyzed COG grant applications, ensured grant compliance, and processed invoices related to the various grants.
Elimination of leased space at Princess Anne Executive Park	• The City will eliminate the lease of office space at the Princess Anne Executive Park which currently houses the Purchasing Division of the Finance Department. With the numerous positions that the City is eliminating as part of the FY 2011 budget, office space at the Municipal Complex will be consolidated and these 14 positions will be relocated

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The Department of Management Services receives all of its funding from general City revenue. The department is responsible for the development and preparation of the Resource Management Plan which includes the operating budget and six-year Capital Improvement Program as well as the annual Five-Year Forecast. Staff also provides issue management and analytical support on large complex development/construction projects and conducts ongoing reviews of public/private partnerships to address the fiscal, budgetary, and economic impacts of proposals.



Trends and Issues

- The transition of staff to the SGA Office and Planning coupled with the transfer of leases out of the department and the elimination of the Community Organization Incentive Grant program and its associated support position accounts for the significant decrease in budgeted expenditures per capita for FY 2010-11.

- The Department of Management Services has acquired and implemented the City's new budgeting software, GovMax, which streamlines the Operating Budget, Capital Improvement Program, and performance measurement.

- Management Services received the Distinguished Budget Presentation Award presented by the Government Finance Officers Association for preparation of a budget document of the highest quality to meet the needs of decision makers and citizens.

Management Services - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Management and Budget Analysis	1,649,612	1,649,923	1,448,304	(201,619)
Facilities Management	1,992,908	2,384,591	0	(2,384,591)
Total Expenditures	3,642,520	4,034,514	1,448,304	(2,586,210)
General City Support	3,642,520	4,034,514	1,448,304	(2,586,210)
Total Department Expenditure	3,642,520	4,034,514	1,448,304	(2,586,210)
Total Department Revenue	0	0	0	0
Total General City Support	3,642,520	4,034,514	1,448,304	(2,586,210)

Position Summary by Program				
002 General Fund				
Management and Budget Analysis	18.00	17.00	15.00	-2.00
Facilities Management	3.00	3.00	0.00	-3.00
Total	21.00	20.00	15.00	-5.00
Total Position Summary	21.00	20.00	15.00	-5.00

Municipal Council - Departmental Performance Report

Municipal Council						
Our City organization exists to enhance the economic, educational, social and physical quality of the community, while providing municipal services effectively, efficiently, and equitably with quality education for life-long learning.						
Objective/Performance Measure	**Unit**	**Annual Target**	**Actual 2008**	**Actual 2009**	**Est. 2010**	**Proj. FY 2011**
Community						
Provide Legislative Actions						
Citizens who feel safe in their neighborhoods	%	94.0	94.0	94.0	94.0	96.0
Citizens who feel VB is a good place to live	%	98.0	94.0	97.0	98.0	98.0
Residents satisfied with City services	%	91.0	94.0	91.0	96.0	96.0

Major Changes

In total, the Municipal Council budget decreased $33,791 or 5.8%

Change	Impact
Municipal Council meal funding eliminated	• Municipal Council meals will not be provided. • Meal funding in the City Manager's budget was also eliminated.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The Municipal Council's responsibilities include:

- The Municipal Council establishes City policy and goals, interprets and represents the community's needs. The *"Community for a Lifetime"* destination points are:

  - **Economic Vitality** - Broad based revenue sources supporting quality and affordable City services; above national average household income; diversified tourism; and new commercial enterprises.

  - **Safe Community** - Safe and secure citywide mobility; and quick, qualified, and caring emergency responses.

  - **Quality Physical Environment** - Clean and safe water; well-maintained streets; useable waterways; neighborhoods with attractive streetscapes; quality waste management; blight elimination; natural area protection; and open spaces.

  - **Cultural and Recreational Opportunities** - Diverse activities; wholesome options as a substitute for unsavory activities; senior citizen oriented activities; and the attraction of tourists to unique City opportunities.

  - **Quality Education and Lifelong Learning** - Education available to all; quality educational facilities; State educational standard attainment; and Pre K preparation.

  - **Family and Youth Opportunities** - Financially, physically, mentally, and emotionally strengthen families; youth retention; decreased need for courts and jails; and healthier births and babies.

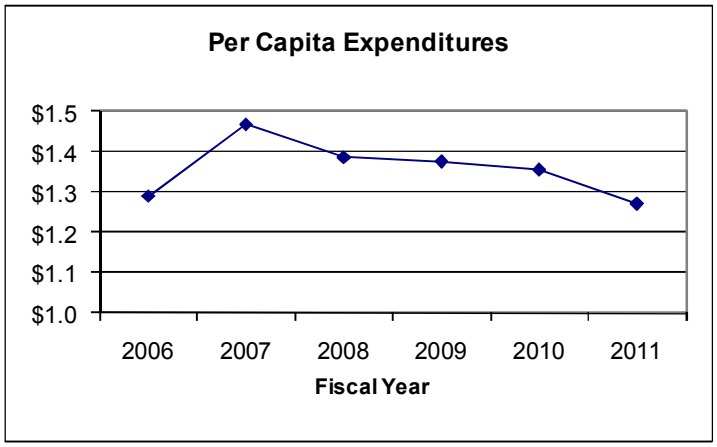
  - **Quality Organization** - Exemplary City leadership and advocacy; competitive, fair and responsive governmental costs; and citizen input solicitation and decision consideration.

Trends and Issues

- To address decreasing budgets, the Municipal Council eliminated membership dues to the National League of Cities and the United States Conference of Mayors.

- The Mayor's Committee for Aging is funded through donations. Due to the economy, donations have decreased significantly. As a consequence, the committee will revamp their donation plans to match actual collections.

- In FY 2010-11, the Legislative Department was split. The City Clerk's Office and the Municipal Council are shown as separate departments.



Municipal Council - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Municipal Council	595,247	587,139	553,348	(33,791)
Total Expenditures	595,247	587,139	553,348	(33,791)
Revenues				
Municipal Council	5,609	0	0	0
Total Revenues	5,609	0	0	0
General City Support	589,638	587,139	553,348	(33,791)
Total Department Expenditure	595,247	587,139	553,348	(33,791)
Total Department Revenue	5,609	0	0	0
Total General City Support	589,638	587,139	553,348	(33,791)

Position Summary by Program				
002 General Fund				
Municipal Council	11.00	11.00	11.00	0.00
Total	11.00	11.00	11.00	0.00
Total Position Summary	11.00	11.00	11.00	0.00

Non-Departmental - Departmental Performance Report

Non-Departmental

The Non-Departmental section of the budget serves as an umbrella for appropriations that are City-wide in nature and, as such, are not contained in an operational department. These include Community Organization Grants, Revenue Reimbursements, Regional Participation, Independent Financial Services, Employee Special Benefits, Benefits Administration, Arts and Humanities Commission, Office of Cultural Affairs, Strategic Growth Area Office(includes resort parking and resort events), Citywide Lease Management, Sandler Center for the Performing Arts, and Vehicle Replacements.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Assist in Cultural Programs						
Attendees to Performances at the Sandler Center for the Arts	#	67,460.0	80,300.0	72,026.0	65,000.0	60,000.0
Enforce violations for on-street parking spaces						
Enforcement Hours	#	14,000.0	13,758.0	14,000.0	14,000.0	14,000.0
Parking Violations Issued	#	15,000.0	15,461.0	15,000.0	15,000.0	15,000.0
Violations Issued per Hour	#	1.1	1.1	1.1	1.1	1.1
Foster Cultural Depth, Richness & Diversity for the Arts						
Number of Arts & Cultural Grants Awarded	#	25.0	33.0	28.0	25.0	18.0
Manage off-street parking in garages						
Parking Space Turnover Rate	#	70.0	64.0	70.0	70.0	70.0
Revenue Per Day	$	2,700	2,733	2,700	2,700	2,700
Vehicles Per Day	#	680.0	681.0	680.0	680.0	680.0
Manage off-street parking in surface lots						
Parking Space Turnover Rate	#	1.1	1.1	1.1	1.1	1.1
Vehicles per Day	#	1,800.0	1,793.0	1,800.0	1,800.0	1,800.0
Financial						
Funding for Non-Profit Organizations						
Programs Funded by Community Organization Incentive Grants	#	0.0	19.0	23.0	23.0	0.0
Provide Real Estate Tax Relief for Elderly						
Number of Residents Receiving Tax Exemptions	#	8,000.0	6,408.0	7,143.0	7,666.0	8,050.0
Internal Process						
Coordinate Leases for Buildings/Land						
Lease Space Managed (square feet)	#	890,000.0	357,162.0	353,545.0	899,887.0	893,919.0
Learning & Growth						
Make Art a Vital Part of Community Development						
Number of Event Days at the Sandler Center for the Arts	#	230.0	128.0	204.0	238.0	225.0
Performances Funded by Arts & Humanities Commission	#	300.0	486.0	375.0	375.0	290.0

Major Changes

In total, the Non-Departmental section of the budget increased overall by $2,882,158 between FY 2009-10 and FY 2010-11

Change	Impact
Elimination of City Tuition Reimbursement Program.	• The impact of eliminating the program is that employees will no longer receive tuition reimbursement payments for college courses.
Addition of the Strategic Growth Area Office (SGA) Community Design Resource Center to redirect current staff throughout the City into a coordinated office to provide planning support, management of infrastructure development and related projects to support the mission of the office.	• The cost of the Center is approximately $263,000 and includes startup costs for the center to bring existing City staff together. The center also plans to utilize community volunteers from various architectural firms as well as students from local universities. Included in the cost is funding to provide a façade improvement program for retail businesses. • The creation of the Strategic Growth Area Office in FY 2010 accounts for an increase of 2.0 FTEs between FY 2009 and FY 2010. A reorganizational change will be necessary in FY 2010-11 to the Strategic Growth Area Office by moving existing positions in alignment with City Council's vision as expressed in the Comprehensive Plan. As part of this reorganization, 3.0 FTEs were permanently transferred from the Department of Management Services to the Strategic Growth Area Office to perform project development, various analyses and administrative duties. Additionally, the Strategic Growth Area Office is coordinating the reassignment of other positions from various departments on two year rotations to perform duties necessary to its mission.
Reduction of approximately $70,000 in funding for the Arts and Humanities Commission to non-profit cultural organizations.	• The impact of the reduced funding will result in fewer organizations receiving funding dependent upon the number of applications for grants the commission receives in the upcoming year.
Elimination of Incentive Community Organization Grants	• The Community Organization Incentive Grant program provides start up grants to existing not-for-profit organizations to begin new programs to assist residents of the City. The impact of eliminating this program will result in organizations having to find other sources of funding to launch the new programs.
Funding for the Contemporary Arts Center of Virginia was reduced by approximately $30,000.	• The impact of this reduced level of support is that the Center will need to find alternative sources of funding for a portion of its utilities while improving efficiencies to offset the lesser amount provided by the City.
Tax Relief for the Elderly.	• Tax relief for the elderly continues to increase for FY 2011. The anticipated cost is anticipated to increase approximately $500,000 from FY 2009-10 to FY 2010-11 with almost 400 additional requests for tax relief.
The Parking Enterprise Fund has been moved from the Convention and Visitors Bureau to the Strategic Growth Area Office. In addition, several parking rates are proposed for an increase to recoup operating and maintenance costs.	• Virginia Beach residents with a valid drivers' license and a Virginia Beach address pay $1 to park at resort lots or garages after 5 p.m. The proposed increase is to change the rate from $1 to $2 which will generate approximately $226,000 annually. • Increase maximum parking fee rates at lots and garages on Friday, Saturday, Sunday and Holidays from $7 to

Change	Impact
	$10 and increase Monday through Thursday from $5 to $7. This will generate approximately $680,000 annually. • Increase parking meter fees from $1 to $1.50 per hour. This will generate approximately $306,000 annually. • As part of aligning City operations programmatically, the Parking Enterprise Fund has assumed the cost of the Camp Pendleton Croatan Parking Lot lease. The above fee increases support the cost of this lease payment.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Program Description

- **Regional Participation and Community Organization Grants (COG)** – Provides funding for non-profit organizations. Regional Participation provides funds to non-profit organizations, regional colleges, and governmental agencies that support City Council goals and compliment City services. Community Organization Grants provide an opportunity to encourage non-profit agencies to provide services that affect the welfare of residents of Virginia Beach by providing a system to award monetary grants to qualified non-profit organizations. Financial and service delivery reports are required from those agencies receiving grant funding.

- **Independent Financial Services** – Provides funding for the City's annual external audit.

- **Employee Special Benefits** – Provides employee service awards and the employee assistance program as well as the employer's share of health and dental insurance for eligible retirees.

- **Benefits Administration** - Provides the City's portion of funding for the staff and operations of the Consolidated City/School Employee Benefits Office, which oversees the administration of the health insurance contract and the Employee Wellness Program.

- **Revenue Reimbursements** – Provide real estate tax relief to certain private properties from which the City derives the primary benefit. Real estate tax relief and water/sewer line fee cost reductions are available to the elderly and disabled and other persons who have certain financial limitations

- **Cultural Affairs Office** – Works with the Virginia Beach Arts and Humanities Commission to support cultural activities throughout the City. Funding for the Commission is provided on a per capita basis and grants are provided to local arts organizations. The Cultural Affairs Office also provides a grant to the Contemporary Art Center for utilities and educational programs. The Boardwalk Art Show is supported with a transfer from the TGIF Fund. Cultural Affairs also oversees the Sandler Center for the Performing Arts, a 1,200 seat theater located at Town Center which opened in the Fall of 2007 and is managed by a private contractor.

- **Strategic Growth Area Office** – Handles the ongoing planning and implementation activities associated with the City's comprehensive plan. It encompasses the City's need for redevelopment, increased density, alternative transportation initiatives, secure neighborhoods, protecting rural and natural areas, reducing non compatible properties, affordable housing and increased economic development efforts.

- **Citywide Leases** - Provides the necessary leases for office space, contracts for building security, provides facilities management of the Municipal Center buildings and rental space and parking.

- **Vehicle Replacements** – Provides funding for the City to replace vehicles.

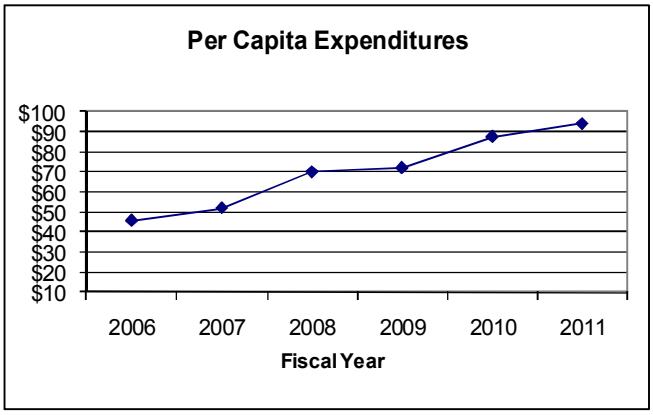
- **Resort Area Events** - Schedules and coordinates special events at the oceanfront and resort area and plans and programs the entertainment events. This office facilitates the development of resort business opportunities, supports the Resort Advisory Commission's initiatives, and coordinates capital improvement projects in the resort area.

- **Parking Enterprise Fund** - Predominantly, parking services are performed from April 1st to September 30th each year during the peak resort season. Parking management has three main goals: 1) the provision of managed parking in municipal owned parking facilities and on street parking spaces, 2) the enforcement of the Residential Parking Permit Program, and 3) shuttle bus and satellite parking operations for major holiday weekends and special events at the Oceanfront. Operationally, the department administers service contracts to provide managed parking at nine parking lots at the Oceanfront, Croatan, and Sandbridge, and six parking garages (two at the Oceanfront and four at Town Center).

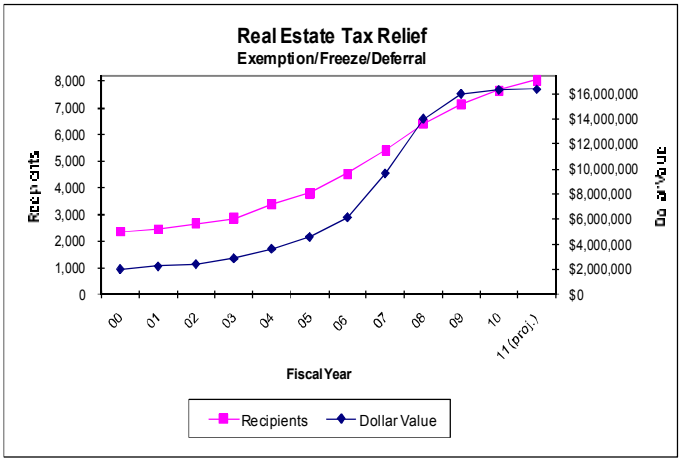
- **Lynnhaven Mall Tax Increment Financing Fund (TIF)** - Established by City Council for the Lynnhaven Mall shopping area on June 2, 1998, in conjunction with the expansion of Lynnhaven Mall totaling over $100 million of private investment. The proposed use of the TIF funds will improve the capacity and flow of traffic within the mall area, improve public access to and from the mall area, and expand public parking.

Trends and Issues

- As the per capita graph indicates, Non-Departmental increased due to a organizational restructuring within the Strategic Growth Area Office, a transfer of approximately $1.5 million in citywide leases as well as the Parking Management Fund. The increase between FY 2007 and FY 2008 is attributable to the City complying with GASB 45 which was approximately $3.8 million in FY 2009. The largest increase in Non-Departmental between FY 2006 07 and FY 2007 08 is attributable to the City increasing the net worth limit in Tax Relief for the Elderly and Disabled from $200,000 to $350,000; almost a $4.4 million increase overall in revenue reimbursements.



- As the graph shows, the Real Estate Tax Exemption program continues to grow. The program offers three options to eligible senior citizens and disabled persons, tax relief, tax freeze, and tax deferral. For FY 2010 11, 8,050 homeowners are anticipated to take advantage of the program. Total tax relief in FY 2010 11 is projected to total $16.4 million. Real estate tax relief and water/sewer line fee cost reductions are available to the elderly and disabled who have certain financial limitations.



- Vehicle replacements were maintained at the FY 2010 funding level for the upcoming 2011 fiscal year for a total cost of $3.1 million. However this funding is nearly $2 million less than the City normally provides for vehicle replacements. If funding cannot be increased, rising maintenance requirements will begin to drive up costs in the City Garage.

Fee Increase Schedule

Name of Fee	Current Amount	FY 2011 Proposed Amount	Date of Last Increase
Resident Discount Fee	$1	$2	1994
City Parking Lots and Garages	$ 7 (Friday, Saturday & Sunday) $5 (Monday through Thursday)	$10 (Friday, Saturday & Sunday) $7 (Monday through Thursday)	1999
Parking Meter Fees	$1 per hour	$1.50 per hour	2009
*The above Parking Fees generate approximately $1.2 million and are used to maintain existing City parking facilities and operational costs.			
Outdoor entertainment two or more days	$150	$250	Early 1990's
Major thoroughfare in resort area	$100	$250	Early 1990's
Major thoroughfare within and/or outside resort area	$100	$500	Early 1990's
Outdoor event occurring more than three days charges a participating fee	$150	$300	Early 1990's
Events with attendance over 1,000 requiring major thoroughfare closure with City event supervisor on site ($30 per hour/4 hours)	$0	$25	Early 1990's

*The above fees generate an additional $34,860 in FY 2010-11 for Resort Programs and Special Events.

Council Amendment

On May 11, 2010, City Council voted to eliminate the proposed façade retail incentive program in the Strategic Growth Area Office ($150,000) and reduced funding to the Consolidated Benefits Office by ($107,814). Additionally, the Virginia DARE Soil Conservation Program associated with Regional Participation grants was restored ($8,000).

Non-Departmental - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Arts and Humanities Commission	449,706	479,687	376,693	(102,994)
Community Organization Grants - On-Going	403,021	379,257	379,257	0
Community Organization Grants - Incentive	199,233	146,405	0	(146,405)
Employee Special Benefits	7,711,487	4,656,199	3,878,361	(777,838)
Benefits Administration	814,890	770,097	662,283	(107,814)
Vehicle Replacements	2,712,895	3,111,914	3,111,914	0
Revenue Reimbursements	15,997,512	15,928,947	16,411,728	482,781
Regional Participation	2,033,150	2,078,758	1,933,213	(145,545)
Independent Financial Services	134,144	153,878	153,878	0
Cultural Affairs	216,380	216,490	209,831	(6,659)
Sandler Center	1,414,746	1,607,449	1,590,213	(17,236)
Contemporary Arts Center Grant	186,232	208,607	177,220	(31,387)
Strategic Growth Area	0	194,650	906,278	711,628
Resort Programs and Special Events	583,721	601,922	507,585	(94,337)
Leases	0	0	1,586,830	1,586,830
Total Expenditures	32,857,117	30,534,260	31,885,284	1,351,024
Revenues				
Arts and Humanities Commission	5,000	42,237	5,000	(37,237)
Vehicle Replacements	80,596	0	150,000	150,000
Regional Participation	0	7,185	0	(7,185)
Sandler Center	100,000	100,000	106,289	6,289
Resort Programs and Special Events	31,200	50,617	64,145	13,528
Total Revenues	216,796	200,039	325,434	125,395
General City Support	32,640,321	30,334,221	31,559,850	1,225,629
152 Tourism Growth Investment Fund				
Expenditures				
Cultural Activities - TGIF	50,500	50,500	50,500	0
TGIF Special Events	3,091,189	3,184,763	3,091,656	(93,107)
Total Expenditures	3,141,689	3,235,263	3,142,156	(93,107)
Revenues				
Cultural Activities - TGIF	48,225	50,500	50,500	0
TGIF Special Events	3,093,464	3,184,763	3,091,656	(93,107)
Total Revenues	3,141,689	3,235,263	3,142,156	(93,107)
General City Support	0	0	0	0
165 Lynnhaven Mall Tax Increment Financing Fund				
Expenditures				
Lynnhaven Mall TIF Payment	921,148	1,800,000	1,850,000	50,000
Total Expenditures	921,148	1,800,000	1,850,000	50,000
Revenues				
Lynnhaven Mall TIF Payment	1,750,002	1,800,000	1,850,000	50,000
Total Revenues	1,750,002	1,800,000	1,850,000	50,000
General City Support	(828,854)	0	0	0

Non-Departmental - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
253 Parking Enterprise Fund				
Expenditures				
Parking Enterprise Fund	1,264,886	1,669,306	1,875,987	206,681
Reserve for Contingencies	0	11,669	1,008,339	996,670
Transfer to Other Funds	849,335	866,776	987,852	121,076
Total Expenditures	2,114,221	2,547,751	3,872,178	1,324,427
Revenues				
Parking Enterprise Fund	2,717,079	2,547,751	3,872,178	1,324,427
Total Revenues	2,717,079	2,547,751	3,872,178	1,324,427
General City Support	(602,858)	0	0	0
Total Department Expenditure	39,034,175	38,117,274	40,749,618	2,632,344
Total Department Revenue	7,825,566	7,783,053	9,189,768	1,406,715
Total General City Support	31,208,609	30,334,221	31,559,850	1,225,629

Position Summary by Program

002 General Fund				
Cultural Affairs	3.00	3.00	3.00	0.00
Strategic Growth Area	0.00	2.00	5.00	3.00
Resort Programs and Special Events	5.00	5.00	5.00	0.00
Total	8.00	10.00	13.00	3.00
253 Parking Enterprise Fund				
Parking Enterprise Fund	5.00	5.00	5.00	0.00
Total	5.00	5.00	5.00	0.00
Total Position Summary	13.00	15.00	18.00	3.00

City Real Estate Assessor - Departmental Performance Report

City Real Estate Assessor

The mission of the Real Estate Assessor is to annually appraise all taxable and tax exempt real estate fairly and equitably, and maintain and continually amend assessment records to reflect changes in the City's real property, in accordance with state law and city code. Provide information and assistance to the City Council, city staff, State Department of Taxation and the public, regarding the land book and individual assessments.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Provide Accurate Assessments on an Annual Basis						
Average Number of Parcels Assessed per Appraiser	#	7,881.0	6,943.0	6,162.0	6,186.0	7,405.0
Total Dept Budget per Taxable Assessed Parcels	$	20	17	20	20	18
Internal Process						
Minimize the Number of Appeals						
Number of Appeals Processed	#	975.0	737.0	692.0	975.0	800.0

Major Changes

In total, the City Real Estate Assessor's budget decreased $307,056 or 9.8%. The reduction includes 4.05 positions.

Change	Impact
Reassessment capabilities reduced	• The number of parcels per appraiser to assess will increase • The ratio of departmental budget to real estate revenues will decrease • Fewer appraisers available to evaluate assessment appeals

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

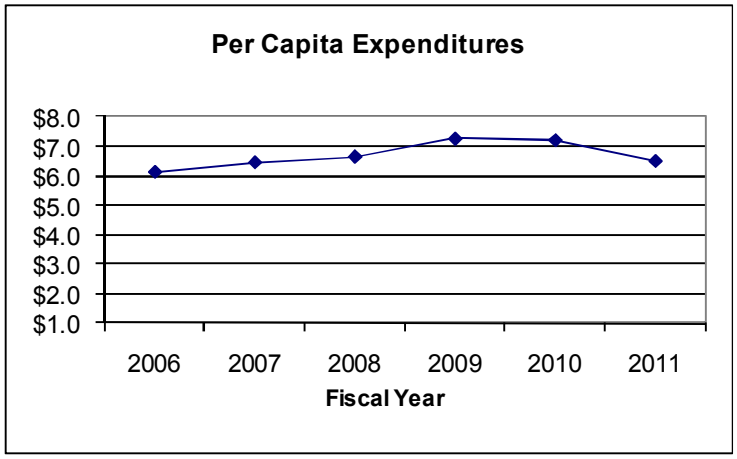
The services provided by the City Real Estate Assessor and Board of Equalization are:

- **City Real Estate Assessor** - To accurately calculate Virginia Beach's real estate property taxes, this office's responsibilities include an annual inventory and appraisal of approximately 151,300 parcels. A quarterly inspection of new construction is also conducted. This includes the measurement, classification, documentation, and appraisal of newly constructed buildings. For existing buildings and properties, subdivision sales are recorded throughout the year, and the results are analyzed to determine assessment adjustments. Additional responsibilities include the administration of the Tax Relief for Senior Citizens and the Disabled Person Program.

- **Board of Equalization** The board has the power to revise, correct, and amend real estate assessments. Generally, after an initial assessment review by the Real Estate Assessor, a resident may appeal and the board reviews the request. Hearings are held annually between mid-March and mid-April. The board determines the assessment's disposition. It is increased, decreased or affirmed.

- Both the City Council appointed Real Estate Assessor and the Circuit Court appointed Board of Equalization are fully funded by general City taxes.

Trends and Issues



- Land use program applications are anticipated to remain flat. The number of applications is estimated to be 950.

- As the community ages, the number of tax relief program applications is forecasted to increase by 786 to 8,600 per annum.

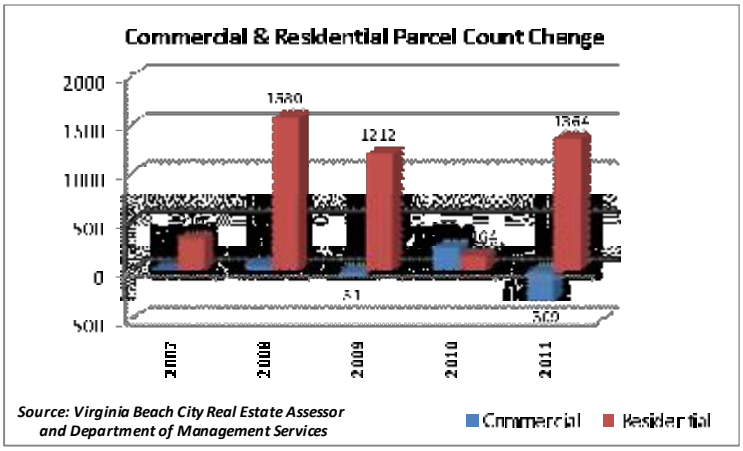
- With assessments decreasing, the number of appeals processed is anticipated to decline by 175 to 800.

- The International Association of Assessing Officers (IAAO) Virginia Beach target for parcels per appraisers only is 7,881. With the reduction of four appraiser positions, the measurement, with estimated parcel growth, went from 6,220 to 7,405 per appraiser. This remains below the target. Ideally, the median average ratio is 3,500.

- A standard measurement to determine ample budget for assessing properties and other related functions is a ratio of the department's budget and the real property tax revenues anticipated. The IAAO Virginia Beach target percentage of departmental budget to total real property tax revenue is 0.56%. With the budget reduced and revenues decreasing,

the measurement, including the public service corporation revenues, is 0.61%. This is a reduction of 0.03%. The ideal median is 0.93%.

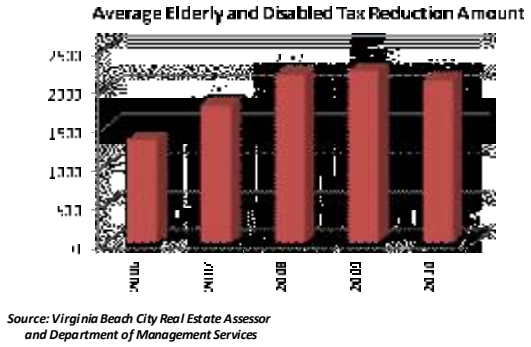
- Parcel count growth, over the past six years, has primarily occurred in the residential sector. During this period, overall residential parcel counts have increased 3.3%. Business parcels have decreased 0.3%. Residential parcels grew from 140,000 to 144,000. Business parcels decreased from 7,111 to 7,092.

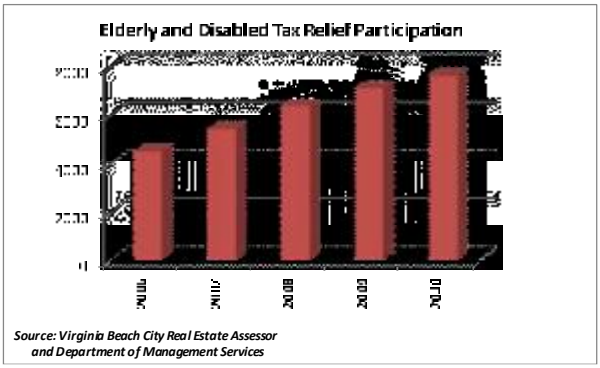


- A standard measurement to determine ample budget for assessing properties and other related functions is a ratio of the department's budget and the number of City parcels. The IAAO Virginia Beach target ratio of departmental budgetary funding to parcels is $18.14. With the budget reduced, the measurement, including the estimated increase in parcels, is $18.18. This represents a reduction of $2.58. The ideal median is $21.20.

- The IAAO Virginia Beach target for the number of parcels per all staff members is 4,679. With staffing reduced, the measurement, including the estimated increase in parcels, is 4,574. This represents an increase of 633 parcels per staff member. The ideal median is 2,819.

- Over the past five years, the Elderly and Disabled Tax Relief program participation has grown 69% from 4,500 to 7,600. The average reduction has grown 57% from $1,354 to $2,125.





City Real Estate Assessor - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
Board of Equalization	9,157	19,130	16,732	(2,398)
City Real Estate Assessor	2,933,922	3,114,292	2,809,634	(304,658)
Total Expenditures	2,943,079	3,133,422	2,826,366	(307,056)
Revenues				
City Real Estate Assessor	200	0	0	0
Total Revenues	200	0	0	0
General City Support	2,942,879	3,133,422	2,826,366	(307,056)
Total Department Expenditure	2,943,079	3,133,422	2,826,366	(307,056)
Total Department Revenue	200	0	0	0
Total General City Support	2,942,879	3,133,422	2,826,366	(307,056)

Position Summary by Program				
002 General Fund				
Board of Equalization	0.35	0.35	0.30	-0.05
City Real Estate Assessor	38.00	38.00	34.00	-4.00
Total	38.35	38.35	34.30	-4.05
Total Position Summary	38.35	38.35	34.30	-4.05

City Treasurer - Departmental Performance Report

City Treasurer

The mission of the City Treasurer's Office is to collect revenues and tax receipts due the City in the most efficient and effective manner and to invest these funds in a manner which will provide the highest investment returns. This is done while meeting goals of: maximum security/safety, providing for daily cash flow demands, and conforming with all State and local statutes governing the investment of public funds.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Provide Restitution Collection and Monitoring						
Victims Receiving Restitution Services	#	23,000.0	18,140.0	21,178.0	23,000.0	26,000.0
Victims Supported by Restitution Services	%	100.0	100.0	100.0	100.0	100.0
Timely/Accurate Billing and Collection of Revenue						
General Property Tax Levies (in millions)	$	610	610	591	619	610
Revenue from On-Time Parking Tickets	$	583,000	499,041	356,342	360,000	583,278
Revenues from Animal Licenses	$	450,000	220,034	435,119	449,961	449,961
Revenues from Delinquent Parking Tickets	$	360,000	499,041	356,342	360,000	360,000
Financial						
Prudent and Safe Investment of Funds						
Average Yield on Investments	%	2.0	4.5	2.0	0.6	1.0

Major Changes

The City Treasurer's FY 2010-11 operating budget totals $4,349,408, which is 14.4% less than the previous year. This reduction is due to City cuts of $619,070, which eliminated 7.68 positions, and State cuts of $112,974, in which the consequences are undetermined at this time. To reflect the State cuts, a negative appropriation of $112,974 is included in the Treasurer's budget. This budget includes one position transferred from the Commonwealth's Attorney's Office to the Treasurer's Office to continue the restitution program. The City Treasurer will be implementing a new revenue to offset the cost of this program.

The budget for this department was prepared based on the latest information available at the time regarding the State budget. It will be adjusted once the State budget is finalized, with the adjustments discussed with City Council prior to adoption.

Change	Initial Budget Impact
Reduced City funding by $610,070, or 14.4% from the previous year	• Eliminated .25 part time position needed during peak revenue collections and a .60 part time vacant delinquent collector previously reimbursed by the Storm Water Fund • Relinquished one Accountant due to delay in implementation of the Revenue Assessment and Collection System • Elimination of .60 part-time equivalent used in collection of delinquent trustee taxes equaling an expected loss of 750,000 in revenue collected • Closing of the Treasurer's Kempsville satellite office, this equates to 4 FTEs plus operating costs • Delay in the processing of payments result in the loss of interest income, estimated at a minimum of $203,000 a year as a result of eliminating an NCR operator and daily branch couriers, accounting for 1.23 positions • Cuts in postage and supplies will cause significant impacts on operations • Elimination of $8,700 for State certification of deputies will result in a loss of $19,000 in State revenue • Elimination of $16,000 for Accurint, a locator tool for delinquent taxpayers will result in a significant delay in cash flow of delinquent revenues
Reduced State funding by $112,974, or 14.5% from the previous year	• An adjustment will be made until an appropriate determination can be made for the consequences of further reductions to the City's main revenue collection agency • Possibilities include closing the remaining satellite Treasurer's Offices located at Pembroke One and at the Beach; and outsourcing mail operations; and eliminating additional revenue collection positions
Additional administrative fees on delinquent accounts	• Imposing fees on delinquent accounts at the start of the delinquency period, instead of waiting later is expected to generate over $500,000

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmenta Overview

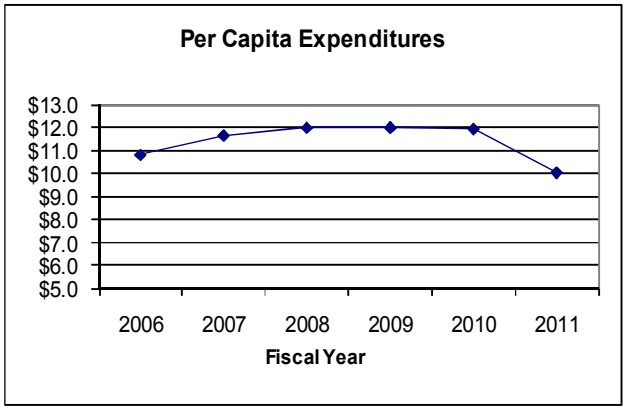
The City Treasurer is one of five e ected Constitutiona Cfficers in the City and as such is partially funded by the State Compensation Board. The Compensation Board reimburses about 90% of the Treasurer's sa ary, and 50% of all other State salaries The State reimburses a portion of fringe benefits (i.e , VRS retirement, F CA, and VRS group life insurance) based on State approved salary amounts. Also, the State reimburses 50% of the budgeted amount for specific office expenses (i e., office supplies, internet access costs, statior ary, postage, printing data processing services, telephone service, repairs, and the Treasurer's association dues). *Note: This is subject to change depending on the final outcome of the State budget for FY 2010-11.*

- **Billing & Accounts Receivable** - This office mails out, receives, and processes payments for current and delinquent: real estate taxes, persona property taxes, trustee taxes, parking tickets and various other bills due to the City. In addition, they receive and process payments for conso idated utility bil s. Furthermore, this office issues various licenses, inc uding anima licenses and residentia parking permits. All revenues of the government flow through this office for entry into the accounting records.

- **Investment Management** - The City Treasurer's Office is responsible for the investment of all cash financial assets of the City in a manner that will provide the highest investment returns only after the goals of maximum security and safety, meeting daily cash flow demands, and conformance with all State and local statutes governing the investment of public funds have been met. All City investments are guided by a basic principle of secure investments where the investment of these public funds is not for speculative purposes, but for the safety of the capital and derivation of income. The Treasurer invests approximately $500 million on an annual basis.

Trends and Issues

- Due to reduced State and City funding, the City Treasurer's budget will be reduced by $732,044. This reduction is illustrated in the decline in per capita expenditures for FY 2010 11 shown in the chart.



- The implementation of the Revenue Assessment and Collection System (RACS) in the Treasurer's Office is not expected until FY 2011 12 and the Treasurer has given up a vacant Accounting position as a result. When RACS comes on board, the position will be needed.

- In addition to reducing the number of personnel to meet funding constraints, the department has also reduced certain line item accounts including: postage and office supplies.

- The Restitution Program intended to compensate victims of crime, has been moved from the Commonwealth's Attorney's Office to the City Treasurer. This program, along with one position, is expected to generate about $70,000 in net revenues as a result of fees the Treasurer may impose on the wrongdoer.

- A change in the implementation of administrative fees on delinquent accounts is expected to generate $518,246 in revenues. In the past, administrative fees were not imposed until every effort was made to collect the delinquent amount. With this new policy, administrative fees will be imposed at the time the bill becomes delinquent.

Fee Increase Schedule

Name of Fee	Current Amount	FY 2011 Proposed Amount	Date of Last Increase
Administrative Fees	$0	$518,246	New
Restitution Program	$0	$122,000	New

Council Amendment

On May 11, 2010, City Council voted to maintain operations of the City Treasurer's Kempsville Branch Office (4 full-time positions). Also restored was a full-time position for processing taxpayer payments and a part-time courier. A total of 5.23 positions were restored.

City Treasurer - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
002 General Fund				
Expenditures				
City Treasurer	5,089,968	5,081,452	4,654,443	(427,009)
Total Expenditures	5,089,968	5,081,452	4,654,443	(427,009)
Revenues				
City Treasurer	1,301,755	1,446,902	1,931,687	484,785
Total Revenues	1,301,755	1,446,902	1,931,687	484,785
General City Support	3,788,213	3,634,550	2,722,756	(911,794)
Total Department Expenditure	5,089,968	5,081,452	4,654,443	(427,009)
Total Department Revenue	1,301,755	1,446,902	1,931,687	484,785
Total General City Support	3,788,213	3,634,550	2,722,756	(911,794)

Position Summary by Program				
002 General Fund				
City Treasurer	76.68	73.68	72.23	-1.45
Total	76.68	73.68	72.23	-1.45
Total Position Summary	76.68	73.68	72.23	-1.45

Debt Service - Departmental Performance Report

Debt Service

The mission of the Debt Service budget is to provide for the pincipal and interest payments, issuance charges and bank charges on long-term obligations obtained by the City for General Government, Schools, Utilities (i.e., Water and Sewer and Storm Water) purposes. Also included are obligations under the Agriculture Reserve Program.

Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Financial						
The debt service for general government debt will not exceed 10% of the general govt. budget						
Ratio of Gen. Govt. Debt to Gen. Govt. Budget	%	10.0	7.5	8.0	8.1	8.4
The general government net debt per capita will not exceed $2,400						
General Government Debt Per Capita	$	2,400	2,262	2,275	2,287	2,339
The general government net debt per capita will not exceed 6.5% of per capita income						
Ratio of Per Capita Debt to Per Capita Income	%	6.5	5.2	5.1	5.2	5.1
The general government net debt will not exceed 3.5% of assessed value						
Ratio of Gen. Govt. Debt to Assessed Value of Real Property	%	3.5	1.7	1.7	2.1	2.0

Major Changes

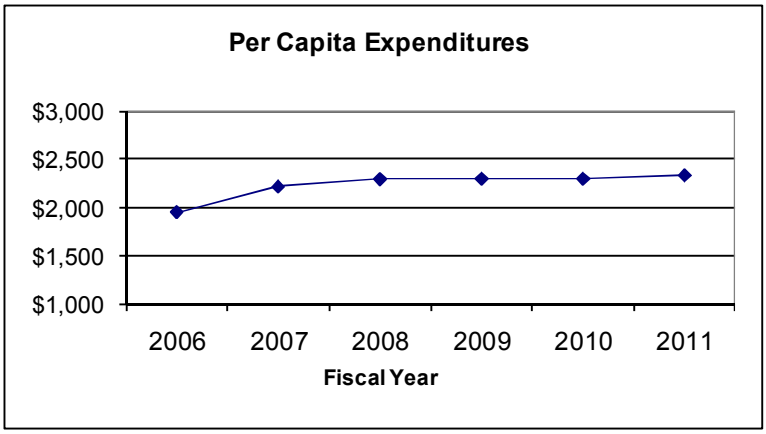
In January 2010, the City refunded $99.6 million of General Obligation Bonds which will save $8 million of interest through FY 2022-23, the remaining term of the bonds. Scheduled for Spring 2010 are issuances of: $60 million of General Obligation Bonds; $17 million of Public Facility Revenue Bonds, and up to $85 million for refunding of Public Facility Revenue Bonds. There are also plans for issuances of approximately $60 million of Water and Sewer Revenue Bonds in late Spring 2010 and the possibility of around $10 million of Storm Water Revenue Bonds in Fall 2010. There is also the projected issuance of $84.3 million of General Obligation Bonds and $19.5 million of Public Facility Revenue Bonds in Spring 2011. The total debt service budget for FY 2010 totals $129,450,872 for the General Debt Fund. The Water and Sewer Utility Fund includes $16,389,014 and the Storm Water Utility Fund includes $2,011,002 for debt service.

Change	Impact
A $3,246,966 reserve has been appropriated in conjunction with a new capital project 4.503, Modernization for Kempsville and Bow Creek Recreation Centers.	• The reserve comes from 0.3 cents of the real estate tax and from amounts originally designated for Parks and Recreation operations and funding from the existing dedicated Recreation Center Referendum funding.
Planned refunding of up to $85 million of Public Facility Revenue Bonds.	• The size of the refunding and the amount of savings are subject to bond market conditions.

Departmental Overview

Debt Service - Debt service is issued for three major purposes: City, Schools and Utilities (water and sewer and storm water). To guide future capital improvement program development and address long term debt management issues, City Council uses the following guidelines for the management of debt, in addition to the City Council indicators, as listed below.

- The City will issue bonds for capital improvements with a cost in excess of $250,000 or which cannot be financed from current revenues.
- When the City finances capital projects by issuing bonds, it will pay back the debt within a period not to exceed the expected useful life of the projects.
- Where possible, the City will develop, authorize and issue revenue, special fee or other self-supporting debt instruments instead of general obligation bonds.
- The debt structure of the government will be managed in a manner that results in minimal deviation from the indicators listed in this policy.



- The City will maintain good communications regarding its financial conditions. It will regularly evaluate its adherence to its debt policies. The City will promote effective communications with bond rating agencies and others in the marketplace based on full disclosure.

Trends and Issues

- As a reflection of the City's strong economic condition, Standard & Poor's continues to rate the City's bonds as AAA. The City still maintains bond ratings a notch below AAA for Moody's and Fitch Rating agencies.
- The City has consistently taken advantage of the favorable interest rate environment to refund previously issued debt. While a proposed refunding of Public Facility Revenue Bonds of approximately $85 million is scheduled in Spring 2010, the bond market conditions will ultimately determine the actual size and savings and if refunding is feasible at that time.

- An important issue confronting the City is how to meet the infrastructure needs of the City and Schools without exceeding our debt per capita limit of $2,400. Also, if the limit is to be raised, what level would be regarded as financially prudent to protect our bond rating?

- **Projected Debt** - The total outstanding debt for the City is projected to be $1.2 billion by June 30, 2011, as summarized in the table.

Projected Outstanding Debt
As of June 30, 2011

Purpose		Amount	Percent
Schools	$	318,828,232	26.0%
General Government		718,541,704	58.7%
Utilities		187,926,099	15.3%
Total	**$**	**1,225,296,035**	**100.0%**

- **Legal Debt Limit -** According to State statute, the City's legal debt margin for general obligation debt is limited to 10% of the assessed value of real property. Revenue bonds, such as those for utilities are not subject to the State limit. Historically, the City's outstanding debt has represented only a fraction of the legal debt limit. For FY 2010-11, the City's assessed value of real property is estimated at $52.6 billion. By the end of the fiscal year, the City's projected debt amount will only be 2.0% of the total assessed value.

- **Debt Service by Purpose -** The table below illustrates the debt service by functional area. The utility amounts include both Water and Sewer, and Storm Water debt. The general government amount includes all other City debt and the Agricultural Reserve Program debt.

Summary of Debt Service by Purpose

Purpose		FY 2009-10 Adjusted		FY 2010-11 Budget	% Change
Schools	$	44,183,674	$	43,859,978	-0.7%
General Government*		82,574,053		84,448,405	2.3%
Utility		19,004,240		18,895,039	-0.6%
Total	**$**	**145,761,967**	**$**	**147,203,422**	**1.0%**

** Does not include a $647,466 Reserve for Recreation Centers*

- **Debt Service by Fund** - Debt Service costs appear in three individual funds. The total amount for FY 2010-11 is shown in the following table.

Summary of Debt Service by Fund

Fund		FY 2009-10 Adjusted		FY 2010-11 Budget	% Change
General Debt*	$	127,361,951	$	128,803,406	1.1%
Water and Sewer		16,389,014		16,389,014	0.0%
Storm Water		2,011,002		2,011,002	0.0%
Total	**$**	**145,761,967**	**$**	**147,203,422**	**1.0%**

** Does not include a $647,466 Reserve for Recreation Centers*

Council Amendment

On May 11, 2010, City Council voted to rescind the proposed tax rate increase for real estate. A portion of that increase as well as funding originally dedicated to renovation of the existing recreation centers was included in the Proposed Operating Budget to fund a reserve for renovations to the Kempsville and Bow Creek Recreation Centers. The reserve has been reduced by $2,599,500. Also, this budget includes $19,486,000 of Public Facility Revenue Bonds for the construction of project #4-071 Williams Farm Community Recreation Center.

Debt Service - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
Program Summary				
302 General Debt Fund				
Expenditures				
Debt Service	121,696,175	128,009,417	129,450,872	1,441,455
Total Expenditures	121,696,175	128,009,417	129,450,872	1,441,455
Revenues				
Debt Service	126,350,067	128,009,417	129,450,872	1,441,455
Total Revenues	126,350,067	128,009,417	129,450,872	1,441,455
General City Support	(4,653,892)	0	0	0
Total Department Expenditure	121,696,175	128,009,417	129,450,872	1,441,455
Total Department Revenue	126,350,067	128,009,417	129,450,872	1,441,455
Total General City Support	(4,653,892)	0	0	0

AN ORDINANCE MAKING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2010 AND ENDING JUNE 30, 2011 IN THE SUM OF $ 1,687,648,933 FOR OPERATIONS

WHEREAS, the City Manager has heretofore submitted an Annual Budget for the City for the fiscal year beginning July 1, 2010, and ending June 30, 2011, and it is necessary to appropriate sufficient funds to cover said budget;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

Sec. 1. That the amounts named aggregating $2,240,805,802 consisting of $553,156,869 in interfund transfers and $1,687,648,933 for operations, are hereby appropriated subject to the conditions hereinafter set forth for the use of departments, and designated funds of the City government, and for the purposes hereinafter mentioned, as set forth in the Annual Operating Budget, which is hereby incorporated by reference, for the fiscal year beginning July 1, 2010, and ending June 30, 2011, a summary of which is attached to this ordinance as "Attachment A – Appropriations."

Sec. 2. That in accordance with Section 5.04 of the City Charter, Estimated Revenue in Support of Appropriations is set forth in said Annual Operating Budget, with a summary of Estimated Revenue in Support of Appropriations attached to this ordinance as "Attachment B – Revenues."

Sec. 3. With the exception of the School Operating Fund, the total number of full time permanent positions shall be the maximum number of positions authorized for the various departments of the City during the fiscal year, except for changes or additions authorized by the Council or as hereinafter provided. The City Manager may from time to time increase or decrease the number of part time or temporary positions provided the aggregate amount expended for such services shall not exceed the respective appropriations made therefore. The City Manager is further authorized to make such rearrangements of positions within and between the departments as may best meet the needs and interests of the City.

Sec. 4. To improve the effectiveness and efficiencies of the government in service delivery, the City Council hereby authorizes the City Manager or his designee to transfer appropriated funds and existing positions throughout the fiscal year as may be necessary to implement organizational adjustments that have been authorized by the City Council. Unless otherwise directed by the City Council, such organizational adjustments shall be implemented on such date or dates as the City Manager determines, in his discretion, to be necessary to guarantee a smooth and orderly transition of existing organizational functions. The City Manager shall make a report each year to the City Council identifying the status and progress of any such organizational adjustments.

Sec. 5. All current and delinquent collections of local taxes shall be credited to the General Fund and, where appropriate, to any special service district special revenue fund or any tax increment financing funds created by City Council. Transfers shall be made from the General Fund to the respective designated funds to which a special levy is made in the amount of collection for each specially designated fund.

Sec. 6. All balances of the appropriations payable out of each fund of the City Treasury at the close of business for the fiscal year ending on June 30, 2011, unless otherwise provided for, are hereby declared to be lapsed into the fund balance of the respective funds, except the School Operating Fund which shall lapse into the General Fund Balance, and may be used for the payment of the appropriations that may be made in the appropriation ordinance for the fiscal year beginning July 1, 2011. However, there shall be retained in the General Fund an undesignated fund balance of 8% to 12% of the following year's budgeted revenues, for contingency and emergency situations, not to be used to support appropriations approved in the ordinance for the fiscal year beginning July 1, 2010, except upon subsequent authorization by City Council.

Sec. 7. That the City's debt management policies for the Water and Sewer Enterprise Fund shall serve as a basis for developing financial strategies for the water and sanitary sewer system based on the following guidelines: (a) for the Water and Sewer Fund, the goal of retaining working capital equal to 80% to 100% of one year's operating expense shall be pursued; (b) for the Water and Sewer Fund, the goal shall be for debt service coverage on its water and sewer revenue bonds at not less than 1.50 times and, on a combined basis, including water and sewer general obligation bonds, at no less

than 1.20 times and (c) for the Water and Sewer Fund, contributions from non borrowed funds, on a five year rolling average basis, will be sought for approximately 25% of the annual capital program for the water and sewer system.

Sec. 8. All balances of appropriations in each fund which support authorized obligations or are encumbered at the close of the business for the fiscal year ending on June 30, 2011, are hereby declared to be reappropriated into the fiscal year beginning July 1, 2011, and estimated revenues adjusted accordingly.

Sec. 9. All balances of appropriations attributable to grants or other similar funding mechanism from state or federal sources whose period of expenditure extends beyond the fiscal year ending on June 30, 2010, are hereby declared to be reappropriated into the fiscal year beginning July 1, 2010, and estimated revenues adjusted accordingly.

Sec. ~~9~~10. No department or agency for which appropriations are made under the provisions of this ordinance shall exceed the amount of such appropriations except with the consent and approval of the City Council first being obtained. It is expressly provided that the restrictions with respect to the expenditure of the funds appropriated shall apply only to the totals for each Appropriation Unit included in this ordinance and does not apply to Interfund Transfers.

Sec. ~~10~~11. The City Manager or the Director of Management Services is hereby authorized to approve transfers of appropriations in an amount up to $100,000 between any Appropriation Units included in this ordinance. The City Manager shall make a monthly report to the City Council of all transfers between $25,000 and $100,000. In addition, the City Manager may transfer, in amounts necessary, appropriations from all Reserves for Contingencies except Reserve for Contingencies – Regular, within the intent of the Reserve as approved by City Council.

Sec. ~~11~~12. The City Manager or the Director of Management Services is hereby authorized to establish and administer budgeting within Appropriation Units consistent with best management practices, reporting requirements, and the programs and services adopted by the City Council.

Sec. ~~12~~13. The City Manager or the Director of Management Services is hereby authorized to change the Estimated Revenues included in this ordinance to reflect expected collections. If the Estimated Revenue in support of an Operating Appropriation Unit declines, the City Manager or the Director of Management Services is hereby authorized to reduce, subject to any other provision of law, those appropriations to equal the decline in Estimated Revenue. The City Manager shall give prior notice to the City Council of any reduction to total appropriations exceeding $100,000. The notice to City Council shall identify the basis and amount of the appropriation reduction and the Appropriation Units affected. The accounting records of the City will be maintained in a manner that the total of Estimated Revenue is equal to the total of the Appropriation Units for each of the City's funds. The City Manager or the Director of Management Services is hereby authorized to transfer any excess appropriations to the Reserve for Contingencies after all anticipated expenditures for which those funds were appropriated have been incurred. Nothing in this section shall be construed as authorizing any reduction to be made in the amount appropriated in this ordinance for the payment of interest or principal on the bonded debt of the City Government.

Sec. ~~13~~14. Allowances made from the appropriations made in this ordinance by any or all of the City departments, bureaus, or agencies, to any of their officers and employees for expenses on account of the use by such officers and employees of their personal automobiles in the discharge of their official duties shall not exceed forty two cents ($0.42) per mile of actual travel for the first 15,000 miles and fifteen cents ($0.15) per mile for additional miles of such use within the fiscal year.

Sec. ~~14~~15. In the event of an emergency and under emergency circumstances wherein the City Council cannot reasonably hold a meeting, the City Manager is authorized to transfer and expend appropriated sums from any budget account to ensure that the emergency is handled as efficiently and expeditiously as possible. Immediately following the expenditure of funds under this provision, and as soon as the City Council can reasonably meet under the existing circumstances, the City Manager shall notify the City Council of the reason for such action, how funds were expended, and present to the City Council for adoption an emergency appropriations ordinance that sets forth what measures are required to ensure that funds are forthwith restored to the appropriate accounts and that the budget is balanced at the end of the fiscal year in which the emergency expenditures occurred.

An emergency is defined for the purposes of this provision as an event that could not have been reasonably foreseen at the time of the adoption of the budget, and in which (i) an immediate threat to the public health, safety or welfare is involved, such as clean up after a hurricane, and/or (ii) immediate action is required to protect or preserve public properties.

Sec. ~~15~~16. All travel expense accounts shall be submitted on forms approved by the Director of Finance and according to regulations approved by the City Council. Each account shall show the dates expenses were incurred or paid; number of miles traveled; method of travel; hotel expenses; meals; and incidental expenses. The Director of Finance is specifically directed to withhold the issuance of checks in the event expense accounts are submitted for "lump sum" amounts.

Sec. ~~16~~17. Violation of this ordinance may result in disciplinary action by the City Manager against the person or persons responsible for the management of the Appropriation Unit in which the violation occurred.

~~**Sec. 17.** Funds in the amount of $266,814 are hereby appropriated to the School Health Insurance Internal Service Fund from the fund balance of the Health Insurance Trust Fund. This change allows the Health Insurance Trust Fund to be removed from the accounting records. The Health Insurance Trust Fund originally included the premiums for City employees' health insurance before these premiums were consolidated with School employees' health insurance premiums in the School Health Insurance Internal Service Fund.~~

Sec. 18. The City Manager and School Board are authorized to expend funds related to the City and School's GASB45 liability in the School Health Insurance Internal Service Fund.

Sec. 19. This ordinance shall be effective on July 1, 2010.

Sec. 20. If any part of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not affect the validity of the remaining parts of this ordinance.

Adopted by the Council of the City of Virginia Beach, Virginia, on this the 11th day of May, 2010.

Requires an affirmative vote by a majority of all the members of City Council.

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment A - Appropriations

	FY 2010-11 Adopted
002 General Fund	
Agriculture	767,127
Benefits Administration	662,283
Board of Equalization	16,732
Circuit Court	957,408
City Attorney	3,560,843
City Auditor	577,486
City Clerk	542,324
City Manager	2,690,963
City Real Estate Assessor	2,809,634
City Treasurer	4,654,443
Clerk of the Circuit Court	2,775,084
Commissioner of the Revenue	3,677,713
Commonwealth's Attorney	7,206,253
Communications and Information Technology	21,690,104
Community Organization Grants	379,257
Convention and Visitor Bureau	8,686,242
Cultural Affairs	2,353,957
Director of Finance	4,691,216
Economic Development	2,098,549
Emergency Communications and Citizen Services	9,195,864
Emergency Medical Services	7,119,054
Employee Special Benefits	3,878,361
Fire	42,292,935
General District Court	494,693
General Registrar	1,124,916
Health	3,041,377
Housing and Neighborhood Preservation	1,679,325
Human Resources	4,222,079
Human Services	110,301,394
Independent Financial Services	153,878
Juvenile and Domestic Relations District Court	143,839
Juvenile Probation	2,223,523
Leases	1,586,830
Library	15,416,849
Magistrates	97,296
Management Services	1,448,304
Mass Transit Operations	2,992,155
Municipal Council	553,348
Museums	9,421,107
Parks and Recreation	12,468,357
Planning	9,496,344
Police	86,631,319
Public Works	94,319,811
Regional Participation	1,933,213
Reserve for Contingencies	646,441
Revenue Reimbursements	16,411,728
Strategic Growth Area	1,413,863
Transfer to Other Funds	458,457,521
Vehicle Replacements	3,111,914
Wetlands Board of Virginia Beach	14,331
Zoning Board of Appeals	35,501

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment A - Appropriations

	FY 2010-11 Adopted
Fund 002 Appropriation Totals	973,125,088
098 School Reserve Special Revenue Fund	
Transfer to Other Funds	13,000,000
Fund 098 Appropriation Totals	13,000,000
106 School Technology Category Special Revenue Fund	
Technology	23,346,140
Fund 106 Appropriation Totals	23,346,140
107 School Equipment Replacement Special Revenue Fund	
Reserve for Contingencies	1,784,597
Fund 107 Appropriation Totals	1,784,597
108 School Instructional Technology Fund	
Instructional Technology	2,915,947
Fund 108 Appropriation Totals	2,915,947
109 School Vending Operations Fund	
Athletic	570,539
Fund 109 Appropriation Totals	570,539
112 School Communication Tower Technology Fund	
Instructional Technology	560,000
Fund 112 Appropriation Totals	560,000
114 School Cafeteria Fund	
Cafeteria	27,240,915
Fund 114 Appropriation Totals	27,240,915
115 School Operating Fund	
Administration, Attendance, and Health	21,459,974
Instruction	499,178,942
Operations and Maintenance	88,975,773
Pupil Transportation	29,545,861
Fund 115 Appropriation Totals	639,160,550
116 School Grants Fund	
Grants	74,483,318
Fund 116 Appropriation Totals	74,483,318
117 School Textbook Fund	
Textbook	6,522,370
Fund 117 Appropriation Totals	6,522,370
119 School Athletic Special Revenue Fund	
Athletic	4,752,933
Fund 119 Appropriation Totals	4,752,933

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment A - Appropriations

		FY 2010-11 Adopted
130 Law Library Fund		
Library		270,758
Reserve for Contingencies		4,790
Transfer to Other Funds		57,252
	Fund 130 Appropriation Totals	332,800
142 DEA Seized Property Special Revenue Fund		
Commonwealth's Attorney		200,000
	Fund 142 Appropriation Totals	200,000
147 Federal Section 8 Program Special Revenue Fund		
Housing and Neighborhood Preservation		16,273,088
	Fund 147 Appropriation Totals	16,273,088
149 Sheriff's Department Special Revenue Fund		
Reserve for Contingencies		300,000
Sheriff and Corrections		35,565,921
	Fund 149 Appropriation Totals	35,865,921
150 Inmate Services Special Revenue Fund		
Sheriff and Corrections		854,024
Transfer to Other Funds		274,551
	Fund 150 Appropriation Totals	1,128,575
151 Parks and Recreation Special Revenue Fund		
Parks and Recreation		27,776,049
Public Works		2,577,098
Transfer to Other Funds		302,003
	Fund 151 Appropriation Totals	30,655,150
152 Tourism Growth Investment Fund		
Convention and Visitor Bureau		100,000
Cultural Affairs		50,500
Mass Transit Operations		590,000
Parks and Recreation		33,343
Public Works		873,262
Strategic Growth Area		3,091,656
Transfer to Other Funds		9,022,466
	Fund 152 Appropriation Totals	13,761,227
157 Sandbridge Special Service District Spec Rev Fd		
Transfer to Other Funds		4,570,000
	Fund 157 Appropriation Totals	4,570,000
161 Agriculture Reserve Program Special Revenue Fund		
Agriculture		159,371
Future C.I.P. Commitments		12,629
Transfer to Other Funds		8,404,138
	Fund 161 Appropriation Totals	8,576,138

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment A - Appropriations

		FY 2010-11 Adopted
163 Tourism Advertising Program Special Revenue Fund		
Convention and Visitor Bureau		9,089,324
Transfer to Other Funds		56,838
	Fund 163 Appropriation Totals	9,146,162
165 Lynnhaven Mall Tax Increment Financing Fund		
Tax Increment Financing		2,100,000
	Fund 165 Appropriation Totals	2,100,000
166 Sandbridge Tax Increment Financing Fund		
Future C.I.P. Commitments		8,261,274
	Fund 166 Appropriation Totals	8,261,274
169 Central Business District-South TIF (Twn Cntr) Fd		
Future C.I.P. Commitments		500,000
Reserve for Contingencies		119,919
Transfer to Other Funds		5,614,117
	Fund 169 Appropriation Totals	6,234,036
172 Open Space Special Revenue Fund		
Parks and Recreation		464,249
Public Works		15,300
Transfer to Other Funds		4,815,861
	Fund 172 Appropriation Totals	5,295,410
173 Major Projects Special Revenue Fund		
Transfer to Other Funds		20,977,241
	Fund 173 Appropriation Totals	20,977,241
174 Town Center Special Service District		
Parks and Recreation		53,000
Public Works		15,000
Reserve for Contingencies		283,564
Town Center Special Tax District		1,700,576
	Fund 174 Appropriation Totals	2,052,140
180 Community Development Special Revenue Fund		
Housing and Neighborhood Preservation		2,552,715
Reserve for Contingencies		741
Transfer to Other Funds		128,858
	Fund 180 Appropriation Totals	2,682,314
181 CD Loan and Grant Fund		
Housing and Neighborhood Preservation		444,016
Transfer to Other Funds		130,000
	Fund 181 Appropriation Totals	574,016

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment A - Appropriations

		FY 2010-11 Adopted
182 Federal Housing Assistance Grant Fund		
Housing and Neighborhood Preservation		1,666,970
	Fund 182 Appropriation Totals	1,666,970
183 Grants Consolidated Fund		
Commonwealth's Attorney		322,968
Emergency Medical Services		284,197
Fire		757,260
Housing and Neighborhood Preservation		1,300,035
Human Services		1,867,284
Museums		31,000
Police		71,521
Public Works		15,000
Reserve for Contingencies		100,000
Transfer to Other Funds		400,000
	Fund 183 Appropriation Totals	5,149,265
241 Water and Sewer Fund		
Debt Service		16,389,014
Public Utilities		71,764,252
Reserve for Contingencies		3,069,281
Transfer to Other Funds		15,413,210
	Fund 241 Appropriation Totals	106,635,757
253 Parking Enterprise Fund		
Reserve for Contingencies		1,008,339
Strategic Growth Area		1,875,987
Transfer to Other Funds		987,852
	Fund 253 Appropriation Totals	3,872,178
255 Storm Water Utility Enterprise Fund		
Debt Service		2,011,002
Public Works		11,168,042
Reserve for Contingencies		223,436
Transfer to Other Funds		10,544,961
	Fund 255 Appropriation Totals	23,947,441
302 General Debt Fund		
Debt Service		129,450,872
	Fund 302 Appropriation Totals	129,450,872
540 General Government Capital Projects Fund		
Building Capital Projects		1,159,951
Coastal Capital Projects		4,570,000
Communications and Information Technology Projects		325,000
Economic and Tourism Development Capital Projects		9,998,556
Parks and Recreation Capital Projects		2,022,901
Roadways Capital Projects		2,043,448
	Fund 540 Appropriation Totals	20,119,856

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment A - Appropriations

		FY 2010-11 Adopted
541 Water and Sewer Capital Projects Fund		
Water and Sewer Capital Projects		5,000,000
	Fund 541 Appropriation Totals	5,000,000
555 Storm Water Capital Projects Fund		
Storm Water Capital Projects		8,626,574
	Fund 555 Appropriation Totals	8,626,574
908 City Beautification Fund		
Parks and Recreation		30,000
	Fund 908 Appropriation Totals	30,000
909 Library Gift Fund		
Library		4,000
	Fund 909 Appropriation Totals	4,000
911 Parks and Recreation Gift Fund		
Parks and Recreation		155,000
	Fund 911 Appropriation Totals	155,000
Total Budget Appropriations		2,240,805,802
Less Interfund Transfers		553,156,869
NET BUDGET APPROPRIATIONS		1,687,648,933

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment B - Revenue

	FY 2010-11 Adopted
002 General Fund	
Revenue From Local Sources	
Automobile License	8,734,363
Business License	40,771,644
Charges for Services	35,710,775
Cigarette Tax	11,742,780
Fines and Forfeitures	7,276,472
From the Use of Money and Property	5,456,582
General Sales Tax	50,596,245
Hotel Room Tax	5,148,596
Miscellaneous Revenue	5,106,508
Other Taxes	15,598,883
Permits, Privilege Fees, and Regulatory Licenses	4,627,805
Personal Property	118,574,744
Real Estate	455,888,161
Restaurant Meal Tax	30,665,113
Utility Tax	47,253,219
Revenue from the Commonwealth	
Other Sources from the Commonwealth	88,961,841
Revenue from the Federal Government	22,608,384
Transfers from Other Funds	18,402,973
Fund 002 Revenue Totals	973,125,088
098 School Reserve Special Revenue Fund	
Specific Fund Reserves	13,000,000
Fund 098 Revenue Totals	13,000,000
106 School Technology Category Special Revenue Fund	
Transfers from Other Funds	23,346,140
Fund 106 Revenue Totals	23,346,140
107 School Equipment Replacement Special Revenue Fund	
Specific Fund Reserves	1,784,597
Fund 107 Revenue Totals	1,784,597
108 School Instructional Technology Fund	
Specific Fund Reserves	2,915,947
Fund 108 Revenue Totals	2,915,947
109 School Vending Operations Fund	
Revenue From Local Sources	
From the Use of Money and Property	10,000
Miscellaneous Revenue	180,000
Specific Fund Reserves	380,539
Fund 109 Revenue Totals	570,539

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment B - Revenue

		FY 2010-11 Adopted
112 School Communication Tower Technology Fund		
Revenue From Local Sources		
From the Use of Money and Property		260,000
Specific Fund Reserves		300,000
	Fund 112 Revenue Totals	560,000
114 School Cafeteria Fund		
Revenue From Local Sources		
Charges for Services		16,323,753
From the Use of Money and Property		36,000
Miscellaneous Revenue		140,000
Revenue from the Commonwealth		
Other Sources from the Commonwealth		330,000
Revenue from the Federal Government		10,411,162
	Fund 114 Revenue Totals	27,240,915
115 School Operating Fund		
Revenue From Local Sources		
Charges for Services		2,691,652
From the Use of Money and Property		465,000
Miscellaneous Revenue		672,000
Revenue from the Commonwealth		
Other Sources from the Commonwealth		240,022,578
State Shared Sales Tax		67,116,477
Revenue from the Federal Government		16,636,723
Transfers from Other Funds		311,556,120
	Fund 115 Revenue Totals	639,160,550
116 School Grants Fund		
Revenue From Local Sources		
Miscellaneous Revenue		2,462,768
Revenue from the Commonwealth		
Other Sources from the Commonwealth		15,491,669
Revenue from the Federal Government		56,528,881
	Fund 116 Revenue Totals	74,483,318
117 School Textbook Fund		
Revenue From Local Sources		
From the Use of Money and Property		100,000
Miscellaneous Revenue		3,174,577
Revenue from the Commonwealth		
Other Sources from the Commonwealth		3,247,793
	Fund 117 Revenue Totals	6,522,370
119 School Athletic Special Revenue Fund		
Revenue From Local Sources		
Charges for Services		484,348
From the Use of Money and Property		45,000
Miscellaneous Revenue		4,199,585
Specific Fund Reserves		24,000
	Fund 119 Revenue Totals	4,752,933

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment B - Revenue

		FY 2010-11 Adopted
130 Law Library Fund		
Revenue From Local Sources		
Charges for Services		325,000
From the Use of Money and Property		7,800
	Fund 130 Revenue Totals	332,800
142 DEA Seized Property Special Revenue Fund		
Specific Fund Reserves		200,000
	Fund 142 Revenue Totals	200,000
147 Federal Section 8 Program Special Revenue Fund		
Revenue From Local Sources		
Charges for Services		15,000
Miscellaneous Revenue		24,000
Revenue from the Federal Government		16,153,087
Transfers from Other Funds		81,001
	Fund 147 Revenue Totals	16,273,088
149 Sheriff's Department Special Revenue Fund		
Revenue From Local Sources		
Charges for Services		2,539,443
Revenue from the Commonwealth		
Other Sources from the Commonwealth		17,607,506
Revenue from the Federal Government		240,900
Specific Fund Reserves		3,303,658
Transfers from Other Funds		12,174,414
	Fund 149 Revenue Totals	35,865,921
150 Inmate Services Special Revenue Fund		
Revenue From Local Sources		
Charges for Services		849,975
From the Use of Money and Property		15,000
Specific Fund Reserves		263,600
	Fund 150 Revenue Totals	1,128,575
151 Parks and Recreation Special Revenue Fund		
Revenue From Local Sources		
Charges for Services		13,785,688
From the Use of Money and Property		1,305,713
Miscellaneous Revenue		3,000
Revenue from the Commonwealth		
Other Sources from the Commonwealth		55,000
Revenue from the Federal Government		1,000
Transfers from Other Funds		15,504,749
	Fund 151 Revenue Totals	30,655,150

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment B - Revenue

		FY 2010-11 Adopted
152 Tourism Growth Investment Fund		
Revenue From Local Sources		
Amusement Tax		1,140,110
Fines and Forfeitures		943,278
From the Use of Money and Property		539,273
Hotel Room Tax		6,435,745
Permits, Privilege Fees, and Regulatory Licenses		72,091
Restaurant Meal Tax		4,380,730
Transfers from Other Funds		250,000
	Fund 152 Revenue Totals	13,761,227
157 Sandbridge Special Service District Spec Rev Fd		
Revenue From Local Sources		
From the Use of Money and Property		86,566
Hotel Room Tax		63,360
Other Taxes		800,000
Real Estate		653,647
Specific Fund Reserves		1,155,504
Transfers from Other Funds		1,810,923
	Fund 157 Revenue Totals	4,570,000
161 Agriculture Reserve Program Special Revenue Fund		
Specific Fund Reserves		4,000,000
Transfers from Other Funds		4,576,138
	Fund 161 Revenue Totals	8,576,138
163 Tourism Advertising Program Special Revenue Fund		
Revenue From Local Sources		
Charges for Services		100,950
From the Use of Money and Property		48,442
Hotel Room Tax		4,576,040
Miscellaneous Revenue		40,000
Restaurant Meal Tax		4,380,730
	Fund 163 Revenue Totals	9,146,162
165 Lynnhaven Mall Tax Increment Financing Fund		
Revenue From Local Sources		
Real Estate		1,897,984
Specific Fund Reserves		202,016
	Fund 165 Revenue Totals	2,100,000
166 Sandbridge Tax Increment Financing Fund		
Revenue From Local Sources		
From the Use of Money and Property		223,220
Real Estate		8,038,054
	Fund 166 Revenue Totals	8,261,274

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment B - Revenue

		FY 2010-11 Adopted
169 Central Business District-South TIF (Twn Cntr) Fd		
Revenue From Local Sources		
From the Use of Money and Property		15,000
Real Estate		5,456,290
Specific Fund Reserves		262,746
Transfers from Other Funds		500,000
	Fund 169 Revenue Totals	6,234,036
172 Open Space Special Revenue Fund		
Revenue From Local Sources		
From the Use of Money and Property		37,962
Restaurant Meal Tax		3,855,043
Specific Fund Reserves		1,402,405
	Fund 172 Revenue Totals	5,295,410
173 Major Projects Special Revenue Fund		
Revenue From Local Sources		
Amusement Tax		4,560,440
Cigarette Tax		978,565
From the Use of Money and Property		250,657
Hotel Room Tax		6,435,745
Restaurant Meal Tax		4,906,417
Specific Fund Reserves		3,845,417
	Fund 173 Revenue Totals	20,977,241
174 Town Center Special Service District		
Revenue From Local Sources		
From the Use of Money and Property		191,475
Real Estate		1,710,665
Transfers from Other Funds		150,000
	Fund 174 Revenue Totals	2,052,140
180 Community Development Special Revenue Fund		
Revenue From Local Sources		
Charges for Services		60,000
Revenue from the Federal Government		2,002,989
Transfers from Other Funds		619,325
	Fund 180 Revenue Totals	2,682,314
181 CD Loan and Grant Fund		
Non-Revenue Receipts		125,000
Revenue from the Federal Government		449,016
	Fund 181 Revenue Totals	574,016
182 Federal Housing Assistance Grant Fund		
Non-Revenue Receipts		125,000
Revenue from the Federal Government		1,541,970
	Fund 182 Revenue Totals	1,666,970

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment B - Revenue

		FY 2010-11 Adopted
183 Grants Consolidated Fund		
Revenue From Local Sources		
Charges for Services		49,252
Revenue from the Commonwealth		
Other Sources from the Commonwealth		3,011,200
Revenue from the Federal Government		1,657,503
Transfers from Other Funds		431,310
	Fund 183 Revenue Totals	5,149,265
241 Water and Sewer Fund		
Non-Revenue Receipts		2,181,550
Revenue From Local Sources		
Charges for Services		99,390,355
From the Use of Money and Property		1,463,246
Miscellaneous Revenue		259,373
Specific Fund Reserves		3,077,000
Transfers from Other Funds		264,233
	Fund 241 Revenue Totals	106,635,757
253 Parking Enterprise Fund		
Revenue From Local Sources		
Charges for Services		3,585,195
From the Use of Money and Property		67,000
Transfers from Other Funds		219,983
	Fund 253 Revenue Totals	3,872,178
255 Storm Water Utility Enterprise Fund		
Revenue From Local Sources		
Charges for Services		21,058,267
From the Use of Money and Property		160,000
Revenue from the Commonwealth		
Other Sources from the Commonwealth		2,656,916
Transfers from Other Funds		72,258
	Fund 255 Revenue Totals	23,947,441
302 General Debt Fund		
Transfers from Other Funds		129,450,872
	Fund 302 Revenue Totals	129,450,872
540 General Government Capital Projects Fund		
Transfers from Other Funds		20,119,856
	Fund 540 Revenue Totals	20,119,856
541 Water and Sewer Capital Projects Fund		
Transfers from Other Funds		5,000,000
	Fund 541 Revenue Totals	5,000,000
555 Storm Water Capital Projects Fund		
Transfers from Other Funds		8,626,574
	Fund 555 Revenue Totals	8,626,574

City of Virginia Beach, Virginia
Fiscal Year 2010-11 Budget Ordinance

Attachment B - Revenue

		FY 2010-11 Adopted
908 City Beautification Fund		
Revenue From Local Sources		
Miscellaneous Revenue		30,000
	Fund 908 Revenue Totals	30,000
909 Library Gift Fund		
Revenue From Local Sources		
Miscellaneous Revenue		4,000
	Fund 909 Revenue Totals	4,000
911 Parks and Recreation Gift Fund		
Revenue From Local Sources		
Miscellaneous Revenue		155,000
	Fund 911 Revenue Totals	155,000
Total Budget Revenues		2,240,805,802
Less Interfund Transfers		553,156,869
NET BUDGET REVENUES		1,687,648,933

AN ORDINANCE ESTABLISHING THE TAX LEVY ON REAL ESTATE FOR FISCAL YEAR 2011

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

Sec. 1. Amount of Levy on Real Estate.

There shall be levied and collected for fiscal year 2011 taxes for general purposes on all real estate, including all separate classifications of real estate set forth in the Code of Virginia, not exempt from taxation and not otherwise provided for in this ordinance, at the rate of eighty nine cents ($0.89) on each one hundred dollars ($100) of assessed valuation thereof. The real property tax rate that has been prescribed in this section shall be applied on the basis of one hundred percentum of the fair market value of such real property, except for public service real property, which shall be on the basis as provided in Section 58.1 2604 of the Code of Virginia.

Sec. 2. Amount of Levy on "Certified Pollution Control Equipment and Facilities" Classified as Real Estate, "Certified Storm Water Management Developments and Property," "Certified Solar Energy Recycling Equipment, Facilities or Devices" Classified as Real Estate, and "Environmental Restoration Sites," Real Estate Improved by Erosion Controls, and Certain Wetlands and Riparian Buffers.

In accordance with Sections 58.1 3660 (A), 58.1 3660.1, 58.1 3661, 58.1 3664, 58.1 3665 and 58.1 3666 of the Code of Virginia, there shall be levied and collected for general purposes for fiscal year 2010, taxes on all real estate (a) certified by the Commonwealth of Virginia as "Certified Pollution Control Equipment and Facilities," (b) certified by the Department of Environmental Quality as "Certified Storm Water Management Developments and Property," (c) certified as provided by Code of Virginia Section 58.1 3661 as "Certified Solar Energy Equipment, Facilities or Devices," or "Certified Recycling Equipment, Facilities or Devices," (d) defined by Code of Virginia Section 58.1 3664 as an "Environmental Restoration Site," (e) improved to control erosion as defined by Code of Virginia § 58.1 3665, or (f) qualifying as wetlands and riparian buffers as described by Code of Virginia § 58.1 3666, not exempt from taxation, at a rate of eighty nine cents ($0.89) on each one hundred dollars of assessed valuation thereof. The real property tax rates imposed in this section shall be applied on the basis of one hundred percentum of fair market value of such real property except for public service property, which shall be on the basis as provided in Section 58.1 2604 of the Code of Virginia.

Sec. 3. Amount of Levy on Real Estate Within the Sandbridge Special Service District.

There shall be levied and collected for fiscal year 2011, taxes for the special purpose of providing beach and shoreline restoration and management at Sandbridge on all real estate within the Sandbridge Special Service District, not exempt from taxation, at the rate of six cents ($0.06) on each one hundred dollars ($100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1 of this ordinance. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum of the fair market value of such real property except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. 4. Amount of Levy on Real Estate Within the Town Center Special Service District.

For the special purpose of operating and maintaining the parking garage and providing enhanced services for the plaza and public spaces within the boundaries of the service district at the Town Center, as well as other additional services authorized by Virginia Code § 15.2-2403, there shall be levied and collected for fiscal year 2010, taxes on all real estate within the Town Center Special Service District, not exempt from taxation, at the rate of forty-five cents ($0.45) on each one hundred dollars ($100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax set forth in Section 1 of this ordinance. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum of the fair market value of such real property, except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. 5. Amount of Levy on "Energy-Efficient Buildings".

In accordance with Section 58.1-3221.2 of the Code of Virginia and any relevant section of the City Code, there shall be levied and collected for general purposes for the fiscal year 2011, taxes on all real estate that has been classified as an energy efficient building, not exempt from taxation, at a rate of seventy-four cents ($0.74) on each one hundred dollars of assessed valuation thereof. The real property tax rate imposed in this section shall be applied on the basis of one

hundred percentum of fair market value of such real property except for public service property, which shall be on the basis as provided in Section 58.1 2604 of the Code of Virginia.

Sec. 6 ~~5~~. Severability.

If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

Sec. 7 ~~6~~. Effective Date.

The effective date of this ordinance shall be July 1, 2010.

Adopted by the City Council of the City of Virginia Beach, Virginia on this 11th day of May, 2010.

Requires an affirmative vote by a majority of all the members of City Council.

AN ORDINANCE ESTABLISHING THE TAX LEVY ON PERSONAL PROPERTY AND MACHINERY AND TOOLS FOR THE CALENDAR YEAR 2011

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

Sec. 1. Amount of Levy on the General Classification of Tangible Personal Property.

In accordance with Chapter 35 of Title 58.1 of the Code of Virginia, taxes shall be levied and collected for general purposes for the calendar year 2011 on all tangible personal property, including all separate classifications of personal property set forth in the Code of Virginia, not exempt from taxation and not otherwise provided for in this ordinance, at the rate of three dollars and seventy cents ($3.70) on each one hundred dollars ($100) assessed valuation thereof.

~~Specific categories of personal property taxed at this rate include, but are not limited to, the following:~~

~~a. aircraft and flight simulators as described in Code of Virginia § 58.1-3506 (A) (2), (3), (4) and (5);~~

~~b. antique motor vehicles as described in Code of Virginia § 58.1-3506 (A) (6);~~

~~c. heavy construction equipment as described in Code of Virginia § 58.1-3506 (A) (8);~~

~~d. computer equipment as described in Code of Virginia § 58.1-3506 (A) (11);~~

~~e. tangible personal property as described in (a) Code of Virginia § 58.1-3660 as "certified pollution control equipment and facilities" or (b) Code of Virginia § 58.1-3661 as "certified solar equipment, facilities or devices and certified recycling equipment, facilities or devices"; and~~

~~f.~~

Sec. 2. Personal Property Tax Relief.

As required by § 58.1-3524 of the Code of Virginia, qualifying vehicles (as defined by § 58.1-3523), ~~personal vehicles as described in § 58.1-3524 of the Code of Virginia (such statute referring to personal vehicles as "qualified vehicles"). Taxes shall be levied and collected for general purposes for the calendar year 2011 on the assessed value of all personal vehicles~~ not otherwise exempted from taxation in this ordinance or by law, shall be subject to the following:

1. Any qualifying ~~personal~~ vehicle with a total assessed value of $1,000 or less will be levied no tax.

2. Any qualifying ~~personal~~ vehicle with an assessed value of between $1,001 and $20,000 will be levied 30% of the computed tax based on the total assessed value of the vehicle. Reimbursement is expected from the state under the Personal Property Tax Relief Act equal to the remaining 70% of the computed tax on the first $20,000 of assessed value.

3. Any qualifying ~~personal~~ vehicle with an assessed value of over $20,000 will be levied 30% of the computed tax based on the first $20,000 of assessed value and 100% of the computed tax based on the assessed value in excess of $20,000. Reimbursement is expected from the state under the Personal Property Tax Relief Act equal to the remaining 70% of the computed tax on the first $20,000 of assessed value.

4. Pursuant to authority conferred in Item 503.D of the 2005 Virginia Appropriations Act, the City Treasurer is authorized to issue a supplemental personal property tax bill, in the amount of 100% of the tax due without regard to any former entitlement to state relief, plus applicable penalties and interest, to any taxpayer whose taxes with respect to a qualifying vehicle for tax year 2005 or any prior tax year remain unpaid on September 1, 2006, or such earlier date as reimbursement with respect to such bill is no longer available from the Commonwealth, whichever earlier occurs. Penalties and interest with respect to bills issued pursuant to this section shall be computed on the entire amount of tax owed. Interest shall be computed from the original due date of the tax.

Sec. ~~3~~3. Amount of Levy on Manufactured Homes.

There shall be levied and collected for general purposes for the calendar year 2011 taxes on all vehicles without motive power, used or designated to be used as manufactured homes, as defined by Section 36-85.3 of the Code of Virginia, at the rate of eighty-nine cents ($0.89) on each one hundred dollars ($100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Section 58.1-3506 (A) (10).

Sec. ~~4~~4. Amount of Levy on All Boats or Watercraft Used for Business Purposes Only.

There shall be levied and collected for general purposes for the calendar year 2011 taxes on all boats or watercraft used for business purposes ~~only~~ [both boats weighing less than five (5) tons and boats weighing five (5) tons or more], except as provided for in Section 6 of this ordinance, at the rate of one dollar and fifty cents ($1.50) on each one hundred

dollars ($100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Sections 58.1 3506 (A) (35) and (A) (36).

Sec. 45. Amount of Levy on All Boats or Watercraft Not Used Solely for Business Purposes.

There shall be levied and collected for general purposes for the calendar year 2011 taxes on all boats or watercraft not used solely for business purposes weighing less than five (5) tons, and weighing five (5) tons or more, except as provided for in Section 6 of this ordinance, at the rate of one dollar and fifty cents ($1.50) on each one hundred dollars ($100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Sections 58.1 3506 (A) (1) (a) and (A) (1) (b).

Sec. 56. Amount of Levy on Machinery and Tools.

In accordance with Section 58.1 3507 of the Code of Virginia, there shall be levied and collected for general purposes for the calendar year 2011 taxes on machinery and tools, including machinery and tools used directly in the harvesting of forest products or semiconductor manufacturing, not exempt from taxation, at the rate of one dollar ($1.00) on each one hundred dollars ($100) of assessed valuation thereof. As provided by Code of Virginia § 58.1 3506 (B), the following personal property shall also be taxed at the rate of machinery and tools:

a. all tangible personal property used in research and development businesses, as described in Code of Virginia § 58.1 3506 (A) (7);

b. generating or cogenerating equipment, as described in Code of Virginia § 58.1 3506 (A) (9); and

c. all motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce, as described in Code of Virginia § 58.1 3506 (A) (25).

Sec. 67. Amount of Levy on Privately Owned Pleasure Boats and Watercraft Used for Recreational Purposes Only.

There shall be levied and collected for general purposes for the calendar year 2011 taxes on all privately owned pleasure boats and watercraft used for recreational purposes only, at the rate of one millionth of one cent ($.000001) on each one hundred dollars ($100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Sections 58.1 3506 (A) (12), (A) (28), and (A) (29).

Sec. 78. Amount of Levy on Privately Owned Camping Trailers, Privately Owned Travel Trailers, and Motor Homes Used for Recreational Purposes Only, and Privately Owned Horse Trailers.

There shall be levied and collected for general purposes for the calendar year 2011 taxes at the rate of one dollar and fifty cents ($1.50) on each one hundred dollars ($100) of assessed valuation thereof on the following property: (a) all privately owned camping trailers and motor homes as defined in Section 46.2 100 of the Code of Virginia and privately owned travel trailers as defined in Code of Virginia § 46.2 1900, that are used for recreational purposes only; and (b) privately owned trailers as defined in § 46.2 100 of the Code of Virginia that are designed and used for the transportation of horses, except those trailers described in subdivision (A) (11) of § 58.1 3505 of the Code of Virginia. Such property declared a separate class of tangible personal property in Sections 58.1 3506 (A) (18) and (A) (30).

Sec. 89. Amount of Levy on One Motor Vehicle Owned and Regularly Used by a Disabled Veteran.

There shall be a reduced tax, levied and collected for general purposes for the calendar year 2011 at the rate of one dollar and fifty cents ($1.50) on each one hundred dollars ($100) of assessed valuation, on one (1) motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is blind, or who is permanently and totally disabled as certified by the Department of Veterans' Affairs. Any motor vehicles in addition to the one (1) so taxed shall not qualify for the taxation at the rate established herein, and shall be taxed at the rate or rates applicable to that class of property. To qualify, the veteran shall provide a written statement to the Commissioner of the Revenue from the Department of Veterans' Affairs that the veteran has been so designated or classified by the Department of Veterans' Affairs as to meet the requirements of Section 58.1-3506 (A) (19), and that his or her disability is service connected. Such property declared a separate class of tangible personal property in Section 58.1-3506 (A) (19).

Sec. 910. Amount of Levy on a Motor Vehicle Owned and Used Primarily by or for Someone at Least Sixty-Five Years of Age or Anyone Found to be Permanently and Totally Disabled.

a. In accordance with Sections 58.1-3506.1 et seq. of the Code of Virginia, there shall be a reduced tax, levied and collected for general purposes for calendar year 2011, at the rate of three dollars ($3.00) on each one hundred dollars ($100.00) of assessed valuation, on one (1) automobile or pickup truck owned and used primarily by or for anyone at least sixty-five years of age or anyone found to be permanently and totally disabled, as defined in Section 58.1-3506.3 of the Code of Virginia, subject to the following conditions:

1. The total combined income received, excluding the first $7,500 of income, from all sources during calendar year 2009 by the owner of the motor vehicle shall not exceed twenty-two thousand dollars ($22,000).

2. The owner's net financial worth, including the present value of all equitable interests, as of December 31 of calendar year 2009, excluding the value of the principal residence and the land, not exceeding one (1) acre, upon which it is situated, shall not exceed seventy thousand dollars ($70,000).

3. All income and net worth limitations shall be computed by aggregating the income and assets, as the case may be, of a husband and wife who reside in the same dwelling and shall be applied to any owner of the motor vehicle who seeks the benefit of the preferential tax rate permitted under this ordinance, irrespective of how such motor vehicle may be titled.

b. Any such motor vehicle owned by a husband and wife may qualify if either spouse is sixty-five or over or if either spouse is permanently and totally disabled, and the conditions set forth in subsection (a) have been satisfied.

Sec. ~~10~~11. Assessed Value Determination.

In accordance with Section 58.1-3103 of the Code of Virginia, personal property mentioned in the above sections shall be assessed at actual fair market value, to be determined by the Commissioner of the Revenue for the City of Virginia Beach.

Sec. ~~11~~12. Severability.

If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

Sec. ~~12~~13. Effective Date.

This ordinance shall be effective January 1, 2011.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

Requires an affirmative vote by a majority of all of the members of City Council.

AN ORDINANCE TO AUTHORIZE THE CITY MANAGER TO SUBMIT AN ANNUAL FUNDING PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the United States Congress has established legislation designated as the Housing and Community Development Act of 1974 that sets forth the development of viable urban communities as a national goal;

WHEREAS, there is federal assistance available for the support of Community Development and Housing activities directed toward specific objectives, such as eliminating deteriorated conditions in low and moderate income neighborhoods that are detrimental to the public health, safety, and welfare, as well as improving the City's housing stock and community services, along with other related activities; and

WHEREAS, as a prerequisite to receiving the above referenced federal assistance, the City of Virginia Beach has developed an Annual Funding Plan for submission to the Department of Housing and Urban Development and has created the necessary mechanisms for its implementation in compliance with federal and local directives.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That the City Manager is hereby authorized and directed, as the executive and administrative head of the City, to submit the City's FY 2011 Annual Funding Plan (the "Plan") and amendments thereto, along with understandings and assurances contained therein and such additional information as may be required, to the Department of Housing and Urban Development to permit the review, approval, and funding of the Plan.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

AN ORDINANCE TO DECLARE $8,000,000 OF FUND NG W THIN THE SANDBRIDGE TAX INCREMENT FINANCING DISTRICT AS SURPLUS FUNDS IN THE FY 2009 10 OPERAT NG BUDGET

WHEREAS, the Sandbridge Tax ncrement Financing District (Sandbridge T F) and the Sandbridge Special Service District (Sandbridge SSD), were established to provide a funding source for beach and shoreline restoration and management at Sandbridge;

WHEREAS, an analysis of the Sandbridge T F and the Sandbridge SSD occurs annually to ensure that funding is adequate for ong-term beach and shoreline restoration and management along Sandbridge;

WHEREAS, current projections indicate that the Sandbridge T F and Sandbridge SSD have sufficient funding to meet long-term obligations for beach and shore ine restoration and management;

WHEREAS, projections a so indicate that the funding available exceeds the ong-term ob igations of the project; and

WHEREAS, $ 8,000,000 is available as an unencumbered appropriation in the FY 2009-10 Sandbridge T F Reserve for Future Commitments

NOW, THEREFORE, BE T ORDA NED BY THE C TY COUNC L OF THE CITY OF V RGIN A BEACH, V RG N A:

(1) That $ 8,000,000 of funding within the Sandbridge T F is hereby declared to be in excess of the ong-term obligations for beach and shoreline restoration and management and is hereby declared surplus.

(2) That $ 8,000,000 is hereby transferred within the FY 2009-10 Operating Budget from the Sandbridge T F to the General Fund – Unappropriated Rea Estate Tax Revenues.

BE T FURTHER ORDA NED: That this ordinance shal be effective on June 30, 2010.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO CIGARETTE TAX BY INCREASING THE AMOUNT OF THE TAX

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Section 35-207 of the Code of the City of Virginia Beach is hereby amended and reordained to read as follows:

Sec. 35-207. Levied; Amount.

There is hereby levied and imposed by the City, upon each sale of cigarettes, a tax equivalent to thirty two and fifty ~~thirty and fifty~~ (32.50) ~~(30.50)~~ mills per cigarette sold within the City, the amount of such tax to be paid by the seller, if not previously paid, in the manner and at the time provided for in this article. The tax shall be reduced by two and one half (2.5) mills per cigarette on June 30, 2027. There shall be a penalty for late payment of the tax imposed herein in the amount of ten (10) per centum per month, and interest in the amount of three-quarters of one (0.75) per centum per month, upon any tax found to be overdue and unpaid.

This ordinance shall be effective July 1, 2010.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

Requires an affirmative vote by a majority of the members of City Council.

AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO MINIMUM SERVICE AVA LABILITY CHARGES AND WATER USAGE RATE

SECT ONS AMENDED: C TY CODE §§ 37-46 AND 37-47

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Sections 37-46 and 37-47 of the Code of the City of Virginia Beach are hereby amended and reordained, to read as fol ows:

Sec. 37 46. Minimum service availability charges prescribed.

Each consumer shall pay a monthly minimum service availability charge as follows for each meter connecting his premises with the city water system:

Meter Size	Monthly Charge: ~~Effective July 1, 2009~~	Effective July 1, 2010
5/8 ir ch	~~$4.10~~	$4 41
3/4 inch	~~5.25~~	5.56
1 inch	~~7 63~~	7.91
1 1/2 inch	~~13.25~~	13.56
2 inch	~~20.10~~	20 41
3 inch	~~36.00~~	36.31
4 inch	~~58.70~~	59.01
6 inch	~~116.00~~	116.31
8 inch	~~184.00~~	184.31
10 ir ch	~~264.00~~	264 31
12 inch	~~491.00~~	491.31
Fire Hydrant Meter	~~36 00~~	36 31

Sec. 37-47. Water usage rates prescribed.

In addition to the charges provided for in section 37 46, each consumer shall pay for water usage the rate of ~~three dollars and sixty-five cents ($3.65) per one thousand (1,000) gallons, as of July 1, 2005, three dollars and seventy cents ($3.70) per one thousand (1,000) gallons, as of July 1, 2006, three dollars and eighty cents ($3.80) per one thousand (1,000) gallons, as of July 1, 2007, three dollars and ninety-five cents ($3.95) per one thousand (1,000) gallons, as of July 1, 2008, and four dollars and four dollars and ten cents ($4.10) per one thousand (1,000) gallons, as of July 1, 2009~~ four dollars and forty one cents ($4.41) per one thousand (1,000) gallons, as of July 1, 2010.

BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2010.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO DEALER AND PAWNBROKER PERMIT APPLICATIONS AND RENEWALS

SECTION AMENDED: § 18-32

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Section 18-32 of the Code of the City of Virginia Beach, Virginia is hereby amended and reordained to read as follows:

Sec. 18-32. Permit required.

(a) No person shall engage in the activities of a dealer as defined in Section 18-76.1, pawnbroker, junk dealer, or secondhand dealer without first obtaining a permit from the chief of police.

(b) To obtain a permit, the applicant shall file with the chief of police an application form which includes the applicant's full name, any aliases, address, age, date of birth, sex, and fingerprints; the name, address, and telephone number of the applicant's employer, if any; and the location of the applicant's place of business. Upon filing this application and the payment of the permit fee set forth in subsection (g) of this section, the applicant shall be issued a permit by the chief of police or his or her designee, provided that the applicant has not been convicted of a felony or crime of moral turpitude within seven (7) years prior to the date of application. Further, the permit shall be denied if the applicant has been denied a permit or has had a permit revoked under any statute or ordinance similar in substance to the provisions of this section, and may be denied if the applicant has been a principal or associate in any partnership, corporation or other business enterprise which has been subject to civil or criminal penalty or any order to cease doing business issued by a federal, state, or local governmental law enforcement or consumer protection agency.

(c) The chief of police, prior to issuance or renewal of a permit, shall determine that the applicant intends to conduct business at a fixed and permanent location, and shall require proof of ownership of the proposed business premises by the applicant or the applicant's employer, or evidence of a valid lease of such premises held by the applicant or the applicant's employer of no less duration than the term of the license. Conduct of business from a hotel, motel, temporary lodging unit or similar location shall not satisfy the requirements of this section.

(d) No more than sixty (60) days prior to issuance of the permit required by this section, the applicant must have any weighing devices used in the business inspected and approved by local or state weights and measures officials and present written evidence of such approval to the chief of police or his or her designee.

(e) This permit shall be valid until the end of the current business license year and may be renewed in the same manner as such permit was initially obtained upon payment of an annual permit fee. No permit shall be transferable.

(f) If the business of the applicant is not operated without interruption, with Saturdays, Sundays and recognized holidays excepted, the applicant shall notify the chief of police of all closings and reopenings of such business. The business of a applicant shall be conducted only from the fixed and permanent location specified in the application for a permit.

(g) The initial and annual permit fee shall be two hundred dollars ($200.00) for a dealer as defined in Section 18-76.1, and ~~twenty-five dollars ($25.00)~~ one hundred dollars ($100.00) for a pawnbroker, junk dealer or secondhand dealer; provided, however, that if an applicant applies for an initial or renewal permit as a dealer of precious metals and gems at the same time as the applicant applies for an initial or renewal permit as a junk dealer or secondhand dealer, the applicant need only pay the two hundred dollar ($200.00) permit fee. If the chief of police refuses to issue such permit, the applicant shall be notified, in writing, of the reasons for the refusal and the applicant may appeal such refusal to the city council within thirty (30) days from the date of such notice.

BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2010.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO PRECIOUS METALS PERMITS

SECTION AMENDED: § 27-3

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Section 27-3 of the Code of the City of Virginia Beach, Virginia is hereby amended and reordained to read as follows:

Sec. 27-3. Authority of department to furnish copies of records, perform certain services, etc., and fees therefore.

(a) The department of police is hereby authorized to release forensic photographs after all criminal charges are resolved and when such release is provided by law, to furnish photostatic copies of accident reports and offense reports, and to allow such reports to be viewed by proper persons consistent with the provisions of the Virginia Freedom of Information Act, Code of Virginia § 2.2-3700.

(b) The chief of police is hereby authorized to make record checks and reports (local record only) and take fingerprints of individuals on request. For the processing of applications for permits required by law, the following fees shall be charged:

(1) Record check and report by name (local) . . . $ 15.00

(2) a. First fingerprint card requested by individuals . . . 10.00
b. Subsequent fingerprint cards requested by individuals . . . 5.00

(3) Certificate for public convenience and necessity . . . 50.00

(4) Precious metals permit . . . ~~200.00~~ 300.00

(5) Vendor permit . . . 25.00

BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2010.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO TAXICAB DRIVER'S INSPECTIONS, PERMIT APPLICATIONS AND RENEWALS

SECTIONS AMENDED: § 36 72, 36 138 and 36 147

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Sections 36 72, 36 138 and 36 147 of the Code of the City of Virginia Beach, Virginia are hereby amended and reordained to read as follows:

Sec. 36-72. Maintenance and inspection.

(a) Every taxicab operated in the city shall be kept in good, clean, neat and safe condition and appearance.

(b) It shall be the duty of the chief of police to make inspections of taxicabs operated in the city and to maintain records of his or her findings.

(c) To defray the cost of performing such inspections the owner of each vehicle shall pay an annual inspection fee of fifty dollars ($50.00) per vehicle.

Sec. 36-138. Application fee.

Each person filing an application pursuant to section 36 137 shall pay to the city treasurer an application fee of ~~ten dollars ($10.00)~~ fifty dollars ($50.00).

Sec. 36-147. Renewal.

A taxicab driver's permit issued under this division may be renewed ~~from year to year~~ every two years by the chief of police, if the applicant for such renewal is, at the time thereof, qualified under the provisions of this division to have issued to him or her an original taxicab driver's permit. At the time of such renewal, two (2) recent photographs of the applicant shall be filed with the chief of police, to be used for the same purpose that photographs filed with an original application are used, along with a renewal fee of ~~ten dollars ($10.00)~~ fifty dollars ($50.00) made payable to the city treasurer.

BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2010.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

AN ORDINANCE TO IMPLEMENT A TWO-YEAR MORATORIUM ON DEDICATED FUNDING TO OPEN SPACE LAND ACQUISITIONS

WHEREAS, Ordinance 2641H allocated funds from increased revenue generated by the two and one half (2.5) percent increase in the tax on transients obtaining lodging, the two and one-half (2.50) mills increase in the tax levied on the purchase of cigarettes, and the one (1) percent increase in the tax on meals purchased at food establishments; and

WHEREAS, the Major Projects Special Revenue Fund and Open Space Special Revenue Fund have been established by the FY 2001 02 Appropriations Ordinance to receive the transfers of revenues from these taxes and to provide a means of providing funding to certain projects and obligations; and

WHEREAS, the Open Space Special Revenue Fund has nearly achieved its goal of acquiring property, and given the need to apply available revenues to other service demands, as provided in the Operating Budget and Capital Improvement Program, the provision of dedicated funds specifically for open space land acquisition is suspended for FY 2010 11 and FY 2011 12; and

WHEREAS, after two years, the funding dedication will be reviewed to determine whether the goals have been accomplished and in the context of the overall City revenues.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA, THAT:

The dedicated meal tax will still be allocated to the Open Space Special Revenue Fund for operations, debt service, development and maintenance of previously acquired open space property, and park infrastructure. Further, previously appropriated funds will serve as a source of funding for open space property acquisition based on the priorities set by the Open Space Advisory Committee.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

A RESOLUTION TO INCREASE THE RESIDENT DISCOUNT FEE FROM $1 TO $2 AT CERTAIN RESORT LOTS AND CITY GARAGES

WHEREAS, since 1994 City of Virginia Beach residents with a valid driver's license and a Virginia Beach address pay $1 to park at resort lots or garages after 5 p.m. and all day at Sandbridge and Croatan lots; and

WHEREAS, an increase of rates would allow the City to cover some operating and maintenance costs of its parking facilities;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That the City Manager or his designee is hereby directed to increase the Resident Discount Fee from $1 to $2 for those city parking lots currently providing $1 for parking for Virginia Beach residents.

The effective date of this resolution shall be July 1, 2010.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

AN ORDINANCE TO APPLY FOR COMMUNITY DEVELOPMENT BLOCK GRANT SECTION 108 LOAN FUNDS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the Department of Housing and Urban Development has established the Section 108 Loan Program under the Community Development Block Grant Program to provide funding for large community development projects; and

WHEREAS, Section 108 Loan funds are necessary to fund the Lighthouse Center Project and other Department of Housing and Neighborhood Preservation programs.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That the City Manager is herby authorized and directed to submit a Section 108 Loan Application to the U.S. Department of Housing and Urban Development (HUD), and to provide such assurances, understandings and additional information as are or may be required by HUD.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

A RESOLUTION TO TEMPORARILY SUSPEND THE ADOPTION OF THE BUDGET THROUGH AN ANNUAL RATHER THAN BIENNIAL PROCESS

WHEREAS, the City adopted a biennial budget process in FY 2005 06 as way to improve the planning and forecasting of resource management decisions; and

WHEREAS, given the unprecedented economic uncertainty, the biennial process is not in the best interest of the City at this time.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That the City of Virginia Beach will prepare a budget on an annual rather than biennial process until a level of stability returns to the economy allowing reasonable projections.

BE IT FURTHER RESOLVED: That the effective date of this resolution shall be July 1, 2010.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO THE EXEMPTION OR DEFERRAL OF REAL ESTATE TAXES FOR ELDERLY OR DISABLED PERSONS BY INCREASING INCOME AND NET WORTH LIMITS

SECTIONS AMENDED: §§ 35-64 AND 35-67

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Sections 35-64 and 35-67 of the City Code are hereby amended and reordained to read as follows:

Sec. 35-64. General prerequisites to grant; effect of residency in hospital, nursing home, etc.

(a) Either the exemption, deferral or freeze, but not more than one (1), as provided for in this division shall be granted to persons subject to the following provisions:

(1) The title to the property for which exemption, deferral or freeze is claimed is held, or partially held, on June thirtieth immediately preceding the taxable year, by the person or persons claiming exemption, deferral or freeze and is occupied as the sole dwelling of such person or persons.

(2) The head of the household occupying the dwelling and owning title or partial title thereto or either spouse in a dwelling jointly held by a husband and wife is either permanently and totally disabled or is sixty-five (65) years of age or older on June thirtieth of the year immediately preceding the taxable year; provided, however, that a dwelling jointly held by a husband and wife may qualify if either spouse is over sixty-five (65) years of age.

(3) For the tax exemption programs, the total combined income received from all sources during the preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal residence and (ii) the owner's or owners' relatives who live in the dwelling, shall not exceed sixty- three thousand four hundred and fifty dollars ($63,450) provided that the first ten thousand dollars ($10,000.00) of income of each relative, other than a spouse of the owner, who is living in the dwelling, shall not be included in such total; and provided further that the first ten thousand dollars ($10,000.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total.

(4) For the tax freeze program, the total combined income received from all sources during the preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal residence and (ii) the owner's or owners' relatives who live in the dwelling, shall not exceed sixty-~~three~~ seven thousand ~~four hundred and fifty dollars ($63,450)~~ ($67,000); provided that the first ten thousand dollars ($10,000.00) of income of each relative, other than a spouse of the owner, who is living in the dwelling, shall not be included in such total; and provided that the first ten thousand dollars ($10,000.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total.

(5) For the tax exemption programs, the net combined financial worth, including equitable interests, as of December thirty-first of the year immediately preceding the taxable year, of the owners, and of the spouse of any owner, excluding the value of the dwelling and the land (not exceeding one acre) upon which it is situated, shall not exceed three hundred and fifty thousand dollars ($350,000.00).

(6) For the tax freeze program, the net combined financial worth, including equitable interests, as of December thirty-first of the year immediately preceding the taxable year, of the owners, and of the spouse of any owner, excluding the value of the dwelling and the land (not exceeding one acre) upon which it is situated, shall not exceed three hundred and fifty thousand dollars ($350,000.00).

(7) For the tax deferral program, the total combined income received from all sources during the preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal residence and (ii) the owner's or owners' relatives who live in the dwelling, shall not exceed sixty-~~three~~ seven thousand ~~four hundred and fifty dollars~~

~~($63,450)~~ ($67,000); provided that the first ten thousand dollars ($10,000.00) of income of each relative, other than a spouse of the owner, who is living in the dwelling, shall not be included in such total; and provided further that the first ten thousand dollars ($10,000.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total.

(8) For the tax deferral program, the net combined financial worth, including equitable interests, as of December thirty first of the year immediately preceding the taxable year, of the owners, and of the spouse of any owner, excluding the value of the dwelling and the land (not exceeding one acre) upon which it is situated, shall not exceed three hundred and fifty thousand dollars ($350,000.00).

(9) The dwelling is occupied.

. . . .

Sec. 35-67. Amount of exemption.

When a person claiming exemption under this division conforms to the standards and does not exceed the limitations contained in this division, the tax exemption shall be as shown on the following schedule:

Total income, All Sources	*Tax Exemption*
$0.00 $47,100.00	100%
$47,100.01 $51,200.00	80%
$51,200.01 $55,300.00	60%
$55,300.01 $59,400.00	40%
$59,400.01 $63,450.00	20%

No lien shall accrue as a result of the amount certified as exempt.

BE IT FURTHER ORDAINED: That this ordinance shall be effective on July 1, 2010.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

AN ORDINANCE TO ADD SECTION 35-41 TO THE CITY CODE PERTAINING TO CLASSIFYING ENERGY EFFICIENT BUILDINGS

SECTION ADDED: §35 41

WHEREAS, Section 58.1 3221.2 of the Code of Virginia provides that energy efficient buildings, not including the real estate or land on which they are located, are a separate class of property from other classifications of real property.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Section 35 41 shall be added to the City Code to read as follows:

Sec 35-41. Energy Efficient Buildings.

(a) In accordance with Code of Virginia, § 58.1 3221.2, as amended, energy efficient buildings, not including the real estate or land on which they are located, are a separate class of property from other classifications of real property.

(b) The definition of "energy efficient buildings" and requirements for certification as an "energy efficient building" shall be in accordance with Code of Virginia, § 58.1 3221.2, as amended.

(c) The owner of an energy efficient building may apply to the city building official on forms provided by the city building official for certification as an energy-efficient building.

(d) Upon application by the owner of an energy-efficient building, the city building official shall inspect the property and certify that the building meets the technical requirements for classification.

(e) Any appeal of a determination of the city building official under this section shall follow the appeals process provided by local and state law for appeals of determinations under the Virginia Uniform Statewide Building Code.

(f) Upon review and certification by the city building official, the application and certification shall be forwarded to the commissioner of the revenue and the real estate assessor for purposes of the city land book and assessment.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 11th day of May, 2010.

A RESOLUTION AFFIRMING RESOLUTION 3347 AND PROVIDING FOR EMPLOYEE CONTRIBUTIONS BY PERSONS WHO BECOME A VIRGINIA RETIREMENT SYSTEM MEMBER ON OR AFTER JULY 1, 2010

WHEREAS, the City of Virginia Beach previously affirmed its desire to provide the employee contribution to the Virginia Retirement System (VRS) in Resolution 3347, enacted November 25, 2008; and

WHEREAS, the General Assembly has enacted Chapter 737 of the Acts of the Assembly, 2010, which defines a "person who becomes a [VRS] member on or after July 1, 2010" to mean "a person who is not a member of a retirement plan administered by the Virginia Retirement System the first time he [or she] is hired on or after July 1, 2010, in a covered position;" and

WHEREAS, additionally, Chapter 737 of the Acts of Assembly, 2010, provides that if the City does not elect to pay the employee portion of member contributions for persons who become a member on or after July 1, 2010, such members shall be required to pay the employee portion of member contributions to VRS.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA;

That Resolution 3347 is hereby affirmed for any City employee who becomes a VRS member prior to July 1, 2010.

BE IT FURTHER RESOLVED;

That any City employee who is a "person who becomes a [VRS] member on or after July 1, 2010" shall be required to pay the employee portion of member contributions to VRS.

Adopted by the Council of the City of Virginia Beach, Virginia on the 11th day of May, 2010.

AN ORDINANCE TO AMEND CITY CODE SECTION 5-401 PERTAINING TO FEES FOR THE IMPOUNDMENT OF ANIMALS, GENERALLY

SECTION AMENDED: § 5 401

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Section 5 401 of the Code of the City of Virginia Beach, Virginia is hereby amended and reordained to read as follows:

Sec. 5-401. Fees for the impoundment of animals, generally.

. . . .

(d) Any person adopting an animal spayed or neutered at the expenses of the City shall also incur an additional cost of one hundred dollars ($100.00) for dogs, and forty dollars ($40.00) for cats. In the event sterilization services are not available from the City, any person adopting an unaltered animal will be required to deposit an additional one hundred dollars ($100.00) for dogs, and forty dollars ($40.00) for cats which shall be reimbursed if proof of sterilization is presented to the bureau of animal control within thirty (30) days of the adoption.

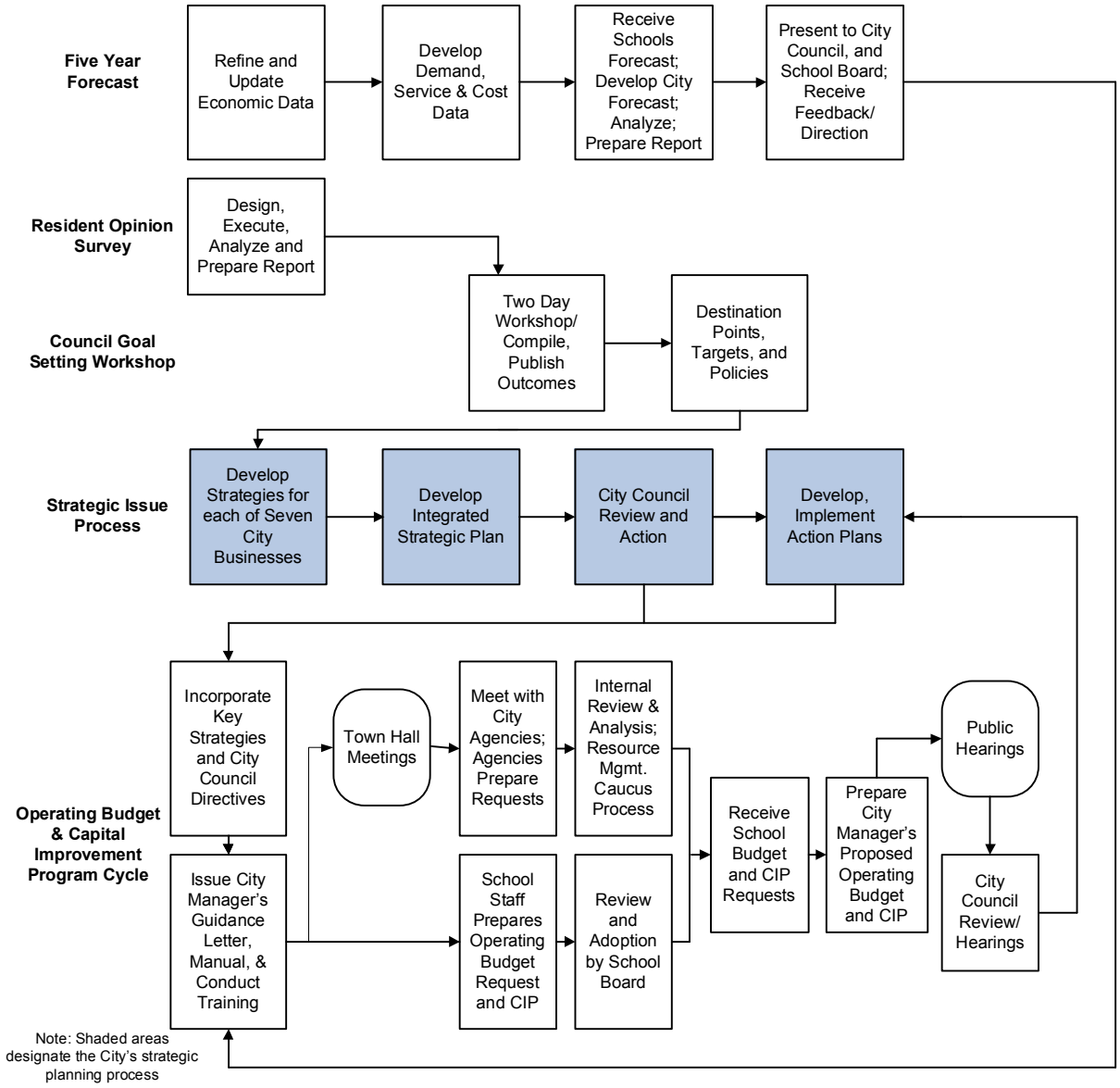
~~(d)~~ (e) The person desiring to adopt the animal shall sign an adoption contract agreeing to abide by the rules and regulations of the bureau of animal control. ~~Any unaltered animal must be spayed or neutered by the bureau of animal control prior to adoption for an additional fifty dollar ($50.00) fee to cover the cost of the procedure or within thirty (30) days of the adoption.~~

BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2010.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 25th day of May, 2010.

Resource Management Process Overview

The chart below provides a graphic view of the City's strategic planning and resource allocation process:



Legal Framework

Submission of the Budget The City Manager shall submit to the City Council a budget and a budget message at least 90 days prior to the beginning of each fiscal year.

Balancing of the Budget As required by Section 5.04 of the Virginia Beach Charter, the budget recommendation by the City Manager must be balanced with revenues equal to expenditures. If expenditures exceed the receipts estimated, the City Manager shall either recommend an increase in the tax rates on real estate, tangible property, or other new or existing items, or recommend a reduction in expenditures. If estimated receipts exceed estimated expenditures, the City Manager may recommend revisions in the tax and license ordinances to bring the budget into balance.

School Budget The City's operating budget incorporates the budget for educational purposes. The School Board submits a School Board approved budget to the City Council and the City Manager. The City Manager may recommend a revised School budget. City Council considers the School budget as part of the total operating budget and may appropriate funds based on categories established by State law, or by lump sum. In FY 2009 10, the City Council voted to allow lump sum appropriations to the School system.

Base Level Budget Ordinance In March 2005, the City Council adopted an ordinance, sponsored by Council Member Schmidt, which requires the biennial operating budget to be presented with real estate tax revenue grown only by new construction. All other revenues of the government are allowed to reflect their normal growth. The anticipated growth in real estate tax revenue, which results from the growth in assessments, is held off at the base level of the budget. Then, in priority order, programs which would require the use of the growth are added back.

Public Hearings on the Budget Section 5.07 of the Virginia Beach Charter requires City Council to hold a public hearing on the budget as submitted. Notice of the public hearing is published not less than seven days prior to the date of the hearing. As a practice, the City Council holds two such hearings each year. The City Council also holds several workshops to discuss the budget and to seek answers to questions concerning the proposed budget.

Adoption of the Budget After the public hearing, City Council may make changes in the budget as it may determine. Following its revisions, the City Council then adopts the budget at one reading. To meet State requirements, the City must adopt a budget by May 15. If the City Council does not adopt a budget by 30 days prior to the start of the fiscal year, the City Charter requires that the City Manager's proposed budget take effect on July 1.

Amending the Adopted Budget The City Council may amend the budget from time to time during the fiscal year. The City Manager may transfer funding in amounts in accordance with the Operating Budget Ordinance. Section 2 187.1 of the Virginia Beach City Code states that supplemental appropriations which exceed 1% of the total revenue shown in the currently adopted budget must be accomplished by publishing a notice of a meeting and public hearing seven days prior to the meeting date.

Amending the Adopted Capital Improvement Program The Capital Improvement Program and the Capital Budget are governed by City Code Section 2 195 which parallels the requirements of the City's Operating Budget.

Budget Administration The legally appropriated funding level determines the spending limits for municipal operations. The City Manager establishes additional controls to assist in managing departmental operations within the amounts and intent approved by City Council. Departments/Agencies are allowed, during the fiscal year, to make adjustments within their appropriation limits through the transfer process; the City Manager may transfer up to $100,000 on his signature; and the City Council must approve transfers over $100,000.

Resident Opinion Survey A bi annual citizen's survey is conducted to assist in evaluating City services and identifying areas in need of attention. One purpose of the survey is to provide City Council and departments with statistically valid citizen usage rates and perceptions regarding City services.

Council Goal Setting Workshop - An annual two-day City Council workshop is held to review the City's progress, assess its direction, and identify and discuss issues and priorities. The results of this workshop include a Policy Agenda which identifies 1) long-term priorities for a five-year period and 2) shorter-term targets for action. These goals and targets then become a part of management's planning, action, and monitoring process. They are incorporated in the Operating Budget and CIP preparation guidelines and review.

Strategic Issues Process - In order to develop implementation plans for attaining the City Council goal areas, the City Manager and Management Leadership Team (MLT) established a series of Director- eve teams. Each Strategic ssue Team (S T), comprised of members from other departments, was charged with a specific goa area or sub-goal area (see discussion of each team's mission included in the City Counci Goal Section of this document) The teams examine the root causes, key factors, and driving forces of the issue defined They work to examine viab e alternatives and define potential

strategic actions. (This process does not automatically assume the need for additional funds, but often the need to redirect existing funds to higher priority areas).

Five-Year Forecast Each year an updated five-year forecast of revenues and expenditures for School and City programs is prepared and presented to City Council and the School Board. The forecast is designed to provide long range financial and program information to the City Council and the School Board and to serve as a forum policy review.

Operating Budget Process The traditional process of departments requesting funds for their existing and proposed programs; the budget office reviewing those requests and making a recommendation to the departments on resource levels; the departments then appealing their concerns over those recommendations to the City Manger who refereed between the competing needs; and then the City Council reviewing and ultimately approving a package of resources, programs and services for the upcoming fiscal year has been replaced with a process which broke through these traditional roles and pulled the players together to jointly make decisions.

A Resource Management Caucus, comprised of the City Manager, the Department of Management Services staff and SIT, sets priorities and provides advice on the package of services and programs to be recommended to the City Manager. The following describes the process used to develop the Operating Budget.

- The departments prepare their resource requests in accordance with the program needs and issues and in response to the Strategic Plan.
    - A description of the department, its mission, objectives, and performance indicators.
    - Funding requests necessary to maintain the same levels of effort/service delivery as provided during the current fiscal year.
    - Funding requests necessary to meet known increases in demand for existing services.
    - Requests for expansion of services or new programs are submitted to Management Services through program proposals in order to present the caucus with a systems view of the programs being proposed.

The requests are submitted to the Department of Management Services where they are analyzed for accuracy, completeness, and policy consistency.

- The Department of Management Services is responsible for all the revenue estimates. In addition, the department with the help of others facilitates the Resource Management Caucuses.
- Summaries of each department's unfunded requests and information on revenues are provided to the Resource Management Caucus for information and review. These summaries illustrate any gap between service needs and revenues.
- The Resource Management Caucus, through a series of meetings involving brainstorming, priority setting, and facilitated small group discussions, works through the issues and funding priorities based on strategic considerations.
- The City Manager reviews the priority recommendations and finalizes the services to be included in the upcoming budget.
- The City Council receives the Operating Budget and Capital Improvement Program, no later than April 1, for their consideration. As part of their review process, the City Council holds several workshops with the department directors to discuss issues and concerns. In addition, they hold two public hearings to receive public input for the proposed plan. Final action on the Operating Budget must occur no later than May 15.

Performance Measurement Process The Operating Budget emphasizes selected indicators of departmental program performance in terms of impact on the community; internal processes; learning and growth; and, financial management. City wide indicators assess outcomes at the City wide and/or community levels within each of the major business areas of the City. In addition, the City regularly benchmarks programs against regional cities and best practices.

Capital Improvement Process The development of the six year Capital Improvement Program (CIP), from the distribution of forms to adoption by the City Council, requires approximately 160 days. The process begins with the allocation of target funding levels based on prior years' CIPs and expected availability of financing. The development of the program requires coordination and cooperation from many departments. The following have major responsibilities in producing the CIP:

- Department of Planning and Community Development participate in transportation project planning and prepare the Comprehensive Plan regarding land use development.

- Department of Management Services (DMS) coordinates the overall process, determines funding and budget plans, provides technical assistance to departments, and makes recommendations. The CIP Focus Group consists of members from each department submitting CIP project requests and financing. The purpose of this group is to foster communication and coordination regarding the City's capital improvement projects.

- Departments responsible for submission of Capital Improvement Project requests are:

  - Schools Division: schools and educational facilities;

  - Public Works: roadways, storm water, and coastal projects;

  - Convention and Visitor Development: economic and tourism development projects (in cooperation with Public Works);

  - Management Services: new City buildings, renovation, site work, or expansion;

  - Parks and Recreation: parks and recreational facilities; and,

  - Public Utilities: water and sewer lines, mains, pumps, and related facilities.

The Department of Management Services analyzes departmental submissions for cost and benefit and to ensure that the CIP meets City Council priorities and overall debt limits.

There is a CIP Caucus comprised of members of each functional area, Strategic Issue Team leaders, and the Management Leadership Team. The CIP Caucus, like the Operating Budget Caucus, reviews the requested items (in the case of the CIP projects) that are above the basic level of funding to determine priorities.

The CIP is submitted to City Council along with the Operating Budget and they are reviewed together.

Public Information Citizens have the opportunity to attend two public hearings held to allow the public to make comments before City Council formally votes to adopt the Resource Management Plan for the next fiscal year. The Proposed Resource Management Plan is available to citizens in the public libraries, City Hall, and on the City's website www.vbgov.com. Public notices, which present highlights of the Plan, are published in the local newspaper.

Resource Management Plan Calendar

October

10/02/09 12/04/09 Departments along with their assigned analysts from Management Services spend the next two months developing individual program resource requests and entering the data into the Budget and CIP databases.

10/02/09 The Department of Management Services develops a target computation.

10/02/09 Resource Management Caucus meets to discuss targets and to set the process for the FY 2010 11.

10/28/09 Town Hall Meeting for Kempsville and Centerville Districts at Larkspur Middle Schools.

November
11/05/09 Town Hall Meeting for Bayside and Lynnhaven Districts at Princess Anne High School.

11/17/09 Five-Year Forecast is presented to City Council, detailing the City's financial position over the next five years and other economic trends affecting the City.

11/18/09 Town Hall Meeting for Rose Hall and Beach Districts at Green Run High School.

11/20/09 Capital Improvement Program requests are due to the Department of Management Services.

December
12/03/09 Town Hall Meeting for Princess Anne District at Kellam High School.

12/04/09 Departmental budget requests are due to the Department of Management Services.

February
02/03/10 – Directors Caucus meets to prioritize new and unfunded existing programs to recommend for inclusion in the Resource Management Plan.

02/09/10 School Superintendent submits Estimate of Needs for FY 2010 11 to the School Board.

March
03/16/10 Adoption of Schools Operating Budget and Capital Improvement Program by the School Board.

03/30/10 Proposed Resource Management Plan is presented to the City Council.

April
04/08/10 City Council Workshop on the Proposed Resource Management Plan.

04/13/10 City Council Workshop on the Proposed Resource Management Plan.

04/20/10 City Council Workshop on the Proposed Resource Management Plan.

04/22/10 Public hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

04/27/10 - City Council Workshop on the Proposed Resource Management Plan.

04/27/10 Public hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

May
05/04/10 - City Council Reconciliation Workshop on the Proposed Resource Management Plan.

05/11/10 - Public hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

05/11/10 - Adoption of the Resource Management Plan.

Accounting and Budgeting Basis

The accounting, budgeting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are budgeted and accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 45 days after year end. Expenditures are recorded when the related fund liability is incurred, if measurable (except for unmatured interest on general long-term debt which is recognized when due and paid).

The following is a list of the major revenue sources, which meet the "susceptible to accrual" criteria:

- General Property Taxes
- Interest on Deposits
- General Sales Taxes
- Revenue from the Commonwealth
- Revenue from the Federal Government
- Utility Taxes
- Amusement Taxes
- Hotel Taxes
- Restaurant Taxes

All Proprietary Funds are budgeted and accounted for on a flow of economic resources measurement and the accrual basis of accounting. With this measurement, revenues are recognized when earned and expenses are recorded when a liability is incurred. All assets and liabilities associated with the operation of these funds are included on the statement of net assets.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting" (Statement No. 20), Proprietary Fund types follow all applicable GASB pronouncements as well as all Financial Accounting Standards Board (FASB) pronouncements and predecessor Accounting Principles Board Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989). Under paragraph 7 of Statement No. 20, the City has elected not to apply FASB pronouncements issued after November 30, 1989. Beginning July 1, 2010, this requirement from the Governmental Accounting Standards Board completely changed the reporting requirements for Special Revenue Funds (Major Projects, Tourism Growth Investment Fund, etc.) making revenues the determining factor in the budgeting of these funds. Under GASB 54, Special Revenue Funds are required to have their own unique source of revenue; transfers can no longer serve as the primary source of revenues, and the actual source of the revenue must be shown.

The City reports deferred revenue in the fund financial statements. Deferred revenues arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the fund balance sheet and revenue is recognized.

City Council Policy

Title: Policy for the Sharing of Certain General Fund Revenues Between the City of Virginia Beach and the Virginia Beach School Board		Index Number: 6.02
Date of Adoption: 2/25/97	Date of Revision: 3/12/07	Page: 1 of 7

1.0 Purpose

The purpose of this policy is to establish a procedure for allocating to the City and the School Board, respectively, certain general fund revenues estimated to be available in a given fiscal year.

This policy will establish a predictable, objective means of sharing local revenues and establish a balance between School programming needs and the wide range of other needs of the City. This policy will provide both the City and the School Board notification about revenue estimated to be available for fiscal year planning.

Revenues allocated to the School Board represent the City's contribution to Schools. These revenues are used to fund the local share of the School Board's operating budget, local debt service costs, and pay-as-you-go capital improvements. The remaining revenues shall be allocated to the City. Tax Increments Financing revenue and Special Service District revenue shall not be subject to the revenue sharing formula. The revenue sharing formula will be reviewed periodically by a committee as established in section 9.1 of this policy, and will be adjusted as necessary.

2.0 Definitions

2.1 **The City** refers to the City of Virginia Beach, exclusive of Schools.

2.2 **City Council** refers to the City of Virginia Beach City Council.

2.3 **Schools** refer to the Virginia Beach City Public Schools.

2.4 **The School Board** refers to the Virginia Beach School Board.

2.5 **Revenues subject to the formula** are defined as general fund revenues from the real estate, personal property, general sales, utility (Non Telecommunications), State Telecommunications, business license taxes, and from cable television franchise fees (through current 2016).

2.6 **The Revenue Sharing Formula** is the percentage formula by which revenues subject to the formula are allocated between the Schools and the City.

2.7 **Budgeted Revenues** are the original estimates of revenues subject to the revenue sharing formula adopted by City Council in May of each year.

2.8 **Actual revenues** are the collected revenues subject to the revenue sharing formula.

3.0 Procedure to Accomplish the Policy

3.1 As a starting point for the fiscal year 2007-08 budget, the Schools will be allocated 51.3% of the revenues subject to the formula, and the City will retain 48.7% of the revenues subject to the formula. These aggregate percentages are based on the actual allocations of revenues subject to the formula by City Council in fiscal year 2006-07 as calculated after the adoption of the budget. These percentages may be adjusted for any fiscal year at the discretion of the City Council. An adjustment may be necessary due to a tax increase or decrease, an increase or decrease in other revenue, or any other circumstance, at the discretion of the City Council. Immediately following the adoption of the budget for fiscal year 2006-07, the City's Department of Management Services will determine the actual percentages of revenues subject to the formula allocated to Schools and retained by the City. The actual percentages of revenues subject to the formula allocated to the Schools and retained by the City shall be the starting point for allocations of revenues subject to the formula for the next fiscal year. This process shall continue each year, with the City's Department of Management Services calculating the actual allocation percentages after the adoption of the budget each year, and actual percentage allocations of revenues subject to the formula for each fiscal year constituting the starting point for allocations for the subsequent fiscal year.

3.2 A table showing the history of total revenues subject to the formula, total revenues subject to the formula allocated to the Schools, tax rates, tax rate changes, and the resulting revenue sharing formula for each year is incorporated as a part of this policy in Appendix A. This table will be updated annually to reflect the most recent revenue sharing formula based on the most recent budget adopted by City Council.

3.3 Preliminary revenue allocation, using the actual allocation percentages for the previous year, will be based on annual October 1 revenue estimates. Updates will be made during budget development, based on December 31 collections, and provided to both parties within 20 calendar days of the December 31 collections.

3.4 If in the development of the City biennial budget a local tax change is being considered, the City Manager will provide notification to the Superintendent of Schools detailing the scope and magnitude of any contemplated tax rate change. The City Manager shall provide notice as early in the school budget development process as possible, preferably prior to the presentation of the Superintendent's Estimate of Needs in February.

3.5 The proportion of revenues for the City and Schools allocated based on the revenue sharing formula shall not be affected by Section 2-186.1 of the City Code regarding preparation of the budget using a "base budget" method. The City and the Schools recognize that it is not the intention of Section 2-186.1 of the City Code to alter the revenue sharing formula.

3.6 For fiscal years 2006-07 and 2007-08, revenues subject to the formula will also be calculated, for informational purposes only, according to the allocation ratio for each individual revenue stream included in the revenue sharing formula, taking into consideration changes to the rates for the various streams as a result of Council action. These stream-specific allocation ratios are detailed in Appendix B of this policy. At the scheduled revenue sharing policy review in January 2007, the aggregate method of calculating the Schools' portion of the revenue (set forth by Section 3.1 of this policy) will be compared to the stream-specific method of calculating the Schools' portion of the revenue to ensure that the use of the aggregate percentage as described in Section 3.1 does not, exclusive of other factors, negatively impact the amount of revenue that the Schools receive. If it is determined that the allocation method described in Section 3.1, in and of itself, negatively impacts the amount of revenue that the Schools receive, definitive steps will be taken to remedy the situation.

4.0 Additional Funding-Schools

4.1 If the School Board determines a need for additional local funding to maintain its current level of operations or to provide for additional initiatives, it shall make a formal written request to the City Council, through its chairman, stating the purpose(s) for which the additional funding is needed, and the amount of additional funding required.

4.2 The City Council shall review any School Board request for additional local funding and determine if additional funding is available. If the City Council determines that additional local funding cannot be made available without an increase in local tax rates, it shall formally notify the School Board.

4.3 If the School Board desires to request an increase in local tax rates to generate the additional local funding requested, the School Board shall hold a public hearing on the issue of whether local tax rates should be increased to provide additional revenue for the purpose(s) identified by the School Board. Following the public hearing, if the School Board desires to request an increase in local tax rates, the School Board shall make a formal request to the City Council to increase local tax rates to a level necessary to generate the additional funding. The School Board shall make such a request in the form of an adopted School Board resolution.

4.4 City Council shall consider any properly submitted request by the School Board for a local tax increase and determine the appropriate action.

4.5 If, after deliberation and appropriate public involvement, including the consideration of a referendum in appropriate circumstances, the City Council adopts a local tax rate increase to generate the additional local funding requested by the School Board, the full amount of revenue produced by the local tax increase shall become part of the School revenue share for the fiscal year budget being developed, and for all future fiscal years.

5.0 **Additional Funding-City**

If the City Council determines that additional funding is needed to maintain the current level of City operations or to provide for additional initiatives in City programs or services, the City Council shall determine the appropriate action. If after deliberation and appropriate public involvement, including consideration of a referendum in appropriate circumstances, the City Council adopts a tax rate increase to generate the additional local funding for City Government programs, the full amount of revenue produced by the local tax increase shall become part of the City revenue share for the fiscal year budget being developed, and for all future fiscal years.

6.0 Tax Rate Decrease

If the City Council determines that it is in the best interest of the community to decrease the rate for any of the taxes or fees that are included in the revenue sharing formula, the revenue estimates will be calculated using the lowered tax rates. The City revenue share and the Schools revenue share shall be affected by a tax rate reduction in the same proportion that budgeted revenues were shared for that fiscal year, unless otherwise specifically determined by the City Council.

7.0 **Actual Revenues Deviate From Budgeted Revenues**

7.1 If, at the end of the fiscal year, the actual revenues exceed the budgeted revenues, the amount of excess revenues shall be shared by the City and the School Board in the same proportion that budgeted revenues were shared for that fiscal year; provided that such excess revenues shall only be shared after the necessary resources for the Fund Balance Reserve Policy have been determined and fulfilled.

7.2 If, however, the City anticipates at any time during the fiscal year, that actual revenues will fall below budgeted revenues, the School Board, upon notification by the City Manager of such an anticipated shortfall, will be expected to reduce expenditures in an amount equal to the School Board's proportion of a shortfall.

8.0 Unanticipated Revenues

Any increase in revenues resulting from actions of the Commonwealth of Virginia not contemplated by this policy shall not be subject to the revenue sharing formula but shall be the subject of joint discussions of the City and the Schools.

9.0 Revision To Policy

9.1 A committee comprised of two members of City Council, two members of the School Board, the City Manager, the Superintendent of Schools, the City Chief Financial Officer, the School Chief Financial Officer and the Director of the Department of Management Services shall periodically review this policy and its application.

9.2 This policy shall be reviewed, and revised as appropriate or necessary,

(a) whenever a rate change for any of the taxes included in the revenue sharing formulas has been adopted;

(b) whenever the funds made available to the School Board pursuant to this policy are not adequate to meet the State Board of Education's mandated "standards of quality";

(c) whenever any significant unanticipated changes occur in the level of estimated federal and state revenues available to the School Board;

(d) whenever any significant unanticipated changes occur in City revenues not included in the revenue sharing formula; and

(e) periodically, but at least biennially, beginning no later than January 31, 2007.

Approved as to Content:	Catheryn R. Whitesell	03/20/07
	Director of Management Services	Date
Approved as to Legal Sufficiency:	Leslie L. Lilley	03/20/07
	City Attorney	Date
Reviewed by:	James K. Spore	03/20/07
	City Manager	Date
APPROVED BY CITY COUNCIL:	Meyera E. Oberndorf	06/12/07
	Mayor	Date

Revenue Sharing Formula Policy

Appendix A
FY 1997-2010

Revenue	FY 1997	Note	FY 1998	Note	FY 1999	Note	FY 2000	Note	FY 2001	Note	FY 2002	Note	FY 2003	Note
Ad Valorem Tax	[illegible]	1,22	281,078,016		240,908,494		239,781,830		267,618,465		282,752,435		298,783,702	
Real Estate Transfer	[illegible]	1,22	6,096,016		[illegible]		6,160,015		6,[illegible]		6,615,[illegible]		[illegible]	
Business License	[illegible]	1,22	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Personal Property Tax	[illegible]	1,03	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Consumer Utility Tax	[illegible]	1,5	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
City Sales Tax	[illegible]	[a]	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
City Sales Tax - Consumption													[illegible]	[c]
City Sales Tax - Collection Fee	[illegible]	[a]	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Business License Tax	[illegible]	[illegible]	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Cable Franchise Tax	[illegible]	[illegible]	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Total Revenue in Formula	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
School Operating Transfer			[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Debt Service			[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Discovery Gift			[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Total School Allocation	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Total City Allocation	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
City funding as % of total revenue	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
School funding as % of total revenue	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	

[a] In FY 1998, resident real estate tax increased from $2.40 to $3.00 per month for water, gas, telephone, and wireless. The commercial rate increased as well for all three taxes.
Because the increase was not the required 1 cent City, 100% of the increase was allocated to the City, it was established that 88.3% of the total City revenues were collected for the City and the remaining 11.7% for the School.
[b] 10% offset $60,000.
[c] Consumption tax remitted by State Clerk.

Revenue	FY 2004	Note	FY 2005	Note	FY 2006	Note	FY 2007	Note	FY 2008	Note	FY 2009	Note	FY 2010	Note
Ad Valorem Tax	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Real Estate Transfer	7,241,805		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Business License	1,016,165		1,121,772	[illegible]	1,014,881	[illegible]	1,014,881	0,990	1,157,826	0,890	1,244,439	0,890	1,244,439	0,890
Personal Property Tax	100,624,025		110,067,897		113,989,700		127,782,709		128,714,569		133,973,542		113,347,989	
Personal Sales Tax	40,[illegible]		45,528,806		50,232,[illegible]		55,200,760		55,607,545		55,340,158		[illegible]	
City Sales	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Vehicle Consumption Tax									[illegible]		[illegible]	[b]	[illegible]	[c]
City Sales - Consumption	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
City Sales - Collection Fee	[illegible]		[illegible]		[illegible]		[illegible]							
Business License Tax	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Cable Franchise Tax	4,797,420		4,877,144		4,612,613		4,541,365		4,746,519		3,413,158		3,373,578	
Total Revenue in Formula	[illegible]		[illegible]		[illegible]		712,472,042	[a]	760,777,439		772,809,430		741,170,444	
School Operating Transfer	254,734,290		256,418,891		268,713,219		307,224,646		326,870,365		328,962,548		351,208,106	
Debt Service	39,582,589		41,309,652		40,512,433		43,282,867		41,432,094		42,411,279		44,183,074	
Discovery Gift	1,000,000		17,597,408		17,597,408		17,597,408		12,108,578		13,996,508			
Total School Allocation	295,316,879		315,319,951		327,229,300		368,103,021		380,381,436		384,330,115		379,391,780	
Total City Allocation	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
City funding as % of total revenue	[illegible]		[illegible]		48,71%		48,76%		48,70%		48,96%	[d]	48,81%	[d]
School funding as % of total revenue	[illegible]		[illegible]		51,96%		51,34%		51,96%		51,04%		51,19%	

c) The E911 Communications Special Revenue Fund provides a year allocation of 29.79% of the total Wireless Communication Tax, which is related to the historical amount received through the wireless surcharge. The balance was merged into the General Fund in FY 2008 (Ordinance, Resolution, [illegible]) and is now allocated from the revenue sharing formula.
[b] The City portion of E911 funding ($47,300,000) was transferred from the total revenue sharing pool to the School.
[d] This % does not include the 31.6% allocated to the merged E911 Communications Special Revenue Fund in the General Fund, 79.3% of E911 revenues are now coded to the function, the remaining revenue is coded to the appropriate vehicle/department. The amount allocated to E911 Communications represents the historical amount of the revenue coded to Communications taxes.

Revenue Sharing Formu a Policy

Appendix B
Historical Information

Fiscal Year	Rea Estate (includes delinquent and interest on delinquent)	Utility and Utility Consumption	Persona Property (inc udes delinquent)	Gerera Sales	Ce l Phone	Business License	Cable Franchise	Va Telecom Tax	Aggregate Percentage
1997 98	51 22	46.87% City 53.13% Schools	46 87% City 53.13% Schools						46 87% City 53.13% Schools
1998 99	46.87% City 53 13% Schoo s	Rate Increase requested by City 52.66% City 47.34% Schools	46.87% City 53.13% Schoo s						47.28% City 52 72% Schoo s
1999 00		52.66% City 47.34% Schools	46 87% City 53.13% Schools						47 26% City 52.74% Schools
2000 01			46.87% City 53.13% Schoo s						
2001 02			46.87% City 53.13% Schoo s						47.24% City 52 70% Schoo s
2002 03			46.87% City 53 13%						47.23% City 52 77% Schoo s
2003 04			46.87% City 53 13%						47.20% City 52 80% Schoo s
2004 05	51.1964 Reduction 100% Schools 49.04% City 50.96% Schon s		46.87% City 53.13%						47.91% City 52.09% Schoo s
2005 06	51.0239 Reduction 53 13% Schools 48.58% City 51.42% Schonls		46.87% City 53.13%						48.21% City 51.79% Schools
2006-07	50 99 49 08% City 50.92% Schonls	48.21% City 51.79% Schonls	48 21% City 51.79% Schools						48 70% City 51.74% Schools
2007 08	50 89 48.7% City 51 3% Schoo s	48.7% City 51.3% Schools	48.7% City 51.3% Schools					48.7% City 51.3% Schools	49 17% City 50.83% Schools
2008 09	50.89 48.7% City 51.3% Schoo s	48.7% City 51.3% Schoo s	48.7% City 51 3% Schoo s					48.7% City 51.3% Schools	49.16% City 50 84% Schoo s
2009 10	50.89 48 7% City 51.3% Schoo s	48.7% City 51.3% Schoo s	48.7% City 51.3% Schoo s					63.85% City 36 15% Schoo s	49.18% City 50.82% Schoo s
2010 11	50 89 48.7% City 51 3% Schoo s	48.7% City 51.3% Schoo s	48.7% City 51.3% Schoo s					63 85% City 36.15% Schoo s	49 10% City 50.84% Schoo s

Appendix A & B Summary Notes of Changes to Schoo Revenue Sharing Formu a	
Fiscal Year	Summary of Change
FY 1997-98	The residential utility tax increased from $2.40 to $3.00 per month for electric, gas, telephone, and water utilities. The commercial tiered rates increased as well. Because this increase was at the request of the City, 100% of the increase was allocated to the City. It was calculated that 89.1% of the total uti ity tax was henceforth subject to the Revenue Sharing Formula The formu a has been adjusted to incorporate into the current percentages.
FY 2004 05	The State raised the General Sales tax from 4.5% to 5.0%. The State dedicated half of this increase (1/4%) to education, and half (1/4%) could be dedicated to education or tax relief. This ¼% increase in the general sales tax equated to $2.36 cents of the real estate tax rate, which was therefore lowered from $1.22 to $1.1964. The formula has been adjusted to incorporate into the current percentages.
FY 2005 06	Due to unprecedented real estate appreciation, the City Council lowered the real estate tax rate from $1.1964 to $1.0239. The reduction in real estate revenues was shared equally between the Schools and the City. The formula has been adjusted to incorporate into the current percentages.
FY 2006 07	In FY 2006 07, the City portion of City/State BRAC funding was subtracted from the total revenues (shared costs between City and Schools). The formula has been adjusted to incorporate into the current percentages.
FY 2007 08	In FY 2007 08 the Virginia Telecommunication Tax was implemented by the State. These were previously imposed through the Utility tax and the Cellular Phone tax both of which are included as formula revenues as well as the E 911 tax, which was never included in the formula. The E 911 Communications Special Revenue Fund previously was allocated 29.53% of the total Virginia Telecommunication Tax, which equated to the historical amount received through the previous local taxes and is excluded from the revenue sharing formula.

City Council Policy

Tit e: Maintenance and Repair of Aging City nfrastructure		ndex Number: 45416
Date of Adoptior : 9/7/99	Date of Revision:	Page: 1 of 2

1.0 Purpose

1.1 Aging infrastructure is a growing nationwide problem which demands increased attention Currently, the estimated cost to maintain and repair the nation's infrastructure is at least $853 bi lion.

1.2 Virginia Beach is a relative y young city, established in 1963, which has now become a mature urban area with a population of approximately 430,000. Over the years, a large pub ic investment has been made in bui ding the City's infrastructure. The estimated replacement va ue of the City's investment is currently $5.38 billion. A arge portion of that infrastructure, such as pub ic bui dings, roads, water and sewer lines, and schoo s, was constructed during the 1970s and ear ier, and these faci ities are now reaching ages where major maintenance and repair, if not fu l rep acement, shou d be planned.

1.3 For the last several years, City Council, the Schoo Board, and the City and Schools staffs have recognized the need for this increased commitment to repair, renovate and rep ace the City's o der infrastructure. Council has addressed this issue by including additional funds in the Capita mprovement Program (C P) for maintenance and repair projects.

1.4 Competition for City resources is keen while the City's infrastructure maintenance and repair needs are growing. Since it is in the public interest to p an now for the future maintenance and repair of this substantial public investment, City Council desires to establish a po icy on infrastructure maintenance and repair to focus attention on the unseen but growing infrastructure issue and to prevent arge and cost y replacements in the future.

2.0 Counci Policy

2.1 It is the policy of City Council to support the planned maintenance and repair of the City's infrastructure in a manner which provides the best facilities at the least cost and maintains the value of the City's investment.

2.2 It is the policy of City Council to treat infrastructure maintenance and repair costs as fixed costs for new projects.

2.3 It is the ong-term goal of City Council to achieve maintenance and repair eve s which insure that the City's infrastructure is functional and maintained in good condition by al ocating the resources required by condition assessment surveys or generally accepted industry funding standards.

2.4 It is the policy of City Council to seek the expansion of resource capacity of these purposes.

3.0 Procedure(s) to Accomplish Policy

3.1 Staff will continue its planned infrastructure inventory and assessment until a complete and accurate inventory and assessment of the City's infrastructure is complete. The inventory and assessment will be maintained thereafter so funding requirements can be identified.

3.2 The City Manager shall, in the annual budget document, report the amount of the City's resources being applied to infrastructure maintenance and repair, and its relationship to replacement plant valve.

3.3 The City Manager shall, in concert with regional efforts, pursue increased resources for infrastructure maintenance and repair with emphasis on increases in State allocations for the maintenance and repair of roads, schools, and other infrastructure.

4.0 Responsibility and Authority

4.1 The City Manager shall, be responsible for submitting a budget which adequately funds the maintenance and repair of City infrastructure, and for reporting progress toward achieving Council's goals.

5.0 Definitions

5.1 "Maintenance" is defined as the recurrent, day to day, periodic, or scheduled work required to preserve real property in such condition that it may be used for its designated purpose.

5.2 "Repair" is defined as the restoration or in kind replacement of real property to such condition that it may be used for its designated purpose. This would include projects like the replacement of Cooke Elementary School or the Social Services building.

5.3 "Expansion" or "new construction" is defined as the installation or assembly of a new facility, or the addition, extension, alteration, or conversion of an existing facility for a new or expanded use.

Approved as to Content:	Clarence Warnstaff	08/17/99
	Director/Administrator	Date
Approved as to Legal Sufficiency:	Leslie L. Lilley	08/27/99
	City Attorney	Date
Reviewed by:	James K. Spore	09/01/99
	City Manager	Date
Item Number: #45416	Ruth Hodges Smith	09/07/99
	City Clerk	Date

City Council Policy

Title: Not Supplanting State, Federal, and Private Funds with Local Funds		Index Number: 47714
Date of Adoption: 2/06/01	Date of Revision:	Page: 1 of 2

1.0 Purpose and Need

The citizens of Virginia Beach receive important, beneficial services from a wide variety of State, Federal, and private agencies, as well as from City programs which rely on funding from these agencies. These agencies are critical partners with the City and the School system in the provision of programs to our community. When these agencies terminate programming, reduce services, or curtail funding, it cannot be assumed that the City of Virginia Beach will maintain these programs. The City's ability to assume the financial responsibility for these services without significantly impacting other service areas which are solely the responsibility of the City, or without having to raise taxes, is limited.

The purpose of this policy is to formally adopt the City's long-standing practice of not automatically supplanting funds from State, Federal, or private agencies with local funds when those agencies reduce or eliminate funding to City or School programs.

2.0 Policy

It is the policy of City Council to prevent, to the extent possible, the shifting of financial responsibility for State, Federal, or privately funded programs to the citizens of Virginia Beach by not supplanting those funds with local funds when those agencies reduce funding to the various community programs that rely on that funding.

3.0 Procedure to Accomplish Administrative Directive

3.1 The Department of Management Services will provide information to the City Manager on a periodic basis that reports any reductions in funding from State, Federal, or private sources that are expected to adversely affect services to the citizens of Virginia Beach. When services are severely affected by such reductions, the City Manager and the Department of Management Services will determine what actions, if any, may be necessary to mitigate the impact on local services.

3.2 The City Manager will report to City Council any instances where reductions in State, Federal, or private funding will have a severe enough effect on services that Council action is necessary.

4.0 Responsibility and Authority

The Department of Management Services is responsible for reporting to the City Manager any reductions in State, Federal, or private funding that could have an effect on services provided to the citizens of Virginia Beach.

5.0 Definitions

Supplanting: For purposes of this policy, the substituting of local funds for reductions in State, Federal, or private funding.

State, Federal, and private agencies: Agencies of either the State or Federal governments, or non-governmental agencies, that either provide funds to the City of Virginia Beach for the provision of local services or offer those services themselves directly to the citizens.

Approved as to Content:	Catheryn R. Whitesell	02/05/01
	Director/Administrator	Date
Approved as to Legal Sufficiency:	R.M. Blow	02/21/01
	City Attorney	Date
Approved:	Steven T. Thompson	02/26/01
	Chief Financial Officer	Date
Approved:	James K. Spore	02/26/01
	City Manager	Date
Approved:	Meyera E. Oberndorf	02/26/01
	Mayor	Date

ALTERNATE VERSION

REQUESTED BY COUNCILMEMBERS DIEZEL AND WOOD

A RESOLUTION TO ADDRESS PUBLIC SAFETY PAY COMPRESSION DISPARITIES

WHEREAS, the safety of Virginia Beach's citizens is greatly enhanced by the City retaining its experienced public safety employees; and

WHEREAS, pay compression has led many experienced public safety employees to leave the City workforce to pursue positions with other employers, including the federal government and the private sector.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That the City Manager is hereby directed to incorporate into the budget process the following considerations, across the public safety pay and classification ranges, utilizing the current City pay plans:

(1) To prevent future pay compression in the public safety pay and classification plans, pay adjustments shall be applied to all employees and ranges;

(2) For both fiscal year 06-07 and fiscal year 07-08, adjustments based on years of service and years in grade shall be made to the current public safety pay and classification plans, at a maximum cost of $4.5 million per fiscal year;

(3) Prior to December 1, 2007, a revised step plan shall be submitted to Council for review and discussion so it may be considered as part of the fiscal year 08-09 budget;

(4) Even if the above steps fail to alleviate supervisory pay compression, such compression shall be alleviated within three years of identification;

(5) Future market salary surveys shall be restricted initially to Hampton Roads communities; and

(6) Proposed budgets shall include an annual summary of entry-level public safety salaries in surrounding Hampton Roads communities.

Adopted by the Council of the City of Virginia Beach, Virginia, on the 7th day of February, 2006.

APPROVED AS TO LEGAL SUFFICIENCY

Roderick Ingram
City Attorney's Office

CA-9909
H/P&A/OrdRes/Public Safety Compensation RES.doc
February 7, 2006
R-4

Entry Level Police, Fire and Sheriff Salary Survey
As of December 2009

	Police Officer Recruit				Police Officer			
Locality	**Min**	**Mid**	**Max**	**Title**	**Min**	**Mid**	**Max**	**Title**
Virginia Beach	36,395	**45,319**	53,543	Police Officer Recruit	38,358	47,314	56,359	Police Officer
Chesapeake	37,494	45,278	53,061	Police Officer Trainee	39,182	48,361	57,540	Police Officer
Hampton	36,500	39,238	41,975	Police Public Safety Recruit	38,550	50,738	62,925	Police Patrol Officer
Newport News	36,200	37,175	38,350	Police Officer Recruit	38,000	43,150	47,300	Police Officer
Norfolk	35,500	36,500	36,500	Police Officer Recruit	39,350	**48,928**	58,456	Police Officer
Portsmouth	36,347			Police Officer Trainee	38,250	46,152	59,252	Police Officer
Suffolk	35,283	43,854	52,525	Police Officer I	35,722	45,303	55,283	Police Officer II

Note: **Hampton and Norfolk have only one non-supervisory level of Police Officer. Virginia Beach has a Master Police Officer level.**

	Firefighter Recruit				Firefighter			
Locality	**Min**	**Mid**	**Max**	**Title**	**Min**	**Mid**	**Max**	**Title**
Virginia Beach	36,395	**45,319**	53,543	Firefighter Recruit	38,358	47,314	56,359	Firefighter
Chesapeake	37,494	45,278	53,061	Firefighter Trainee	39,182	48,361	57,540	Firefighter/EMT
Hampton	36,500	39,238	41,975	Firefighter Recruit	38,550	**50,738**	62,925	Firefighter
Newport News	36,200	37,175	38,350	Firefighter/Medic Recruit		?		No Master*
Norfolk	35,155	35,155	35,155	Firefighter Recruit	35,743	46,327	55,511	Firefighter/EMT - Enhanced
Portsmouth	36,347			Firefighter Trainee	38,250	46,152	59,252	Firefighter
Suffolk	35,283	43,854	52,525	Firefighter I	35,722	45,303	55,283	Firefighter II

Note: **Hampton has only one non-supervisory level of firefighter. Virginia Beach has a Master Firefighter level. Newport News Fire Academy graduates are required to attain EMT-Intermediate certification, which is a higher level than required in the remaining cities.**

	Deputy Sheriff Recruit				First Level Deputy Sheriff			
Locality	**Min**	**Mid**	**Max**	**Title**	**Min**	**Mid**	**Max**	**Title**
Virginia Beach	35,213			Deputy Sheriff	35,521	42,248	51,258	Deputy Sheriff (minimum reflects 4% merit after 15 months)
Chesapeake	37,494	45,278	53,061	Deputy Sheriff Trainee	39,182	**48,361**	57,540	Deputy Sheriff
Hampton	31,434			Deputy Sheriff	34,068			Deputy Sheriff (minimum reflects 9% increase to base salary after 13 months)
Newport News	30,570			Deputy I	32,210	41,248	50,285	Deputy II
Norfolk				No Recruit Level	30,732	39,575	48,358	Deputy Sheriff
Portsmouth	28,224			Deputy Sheriff	33,144	40,603	52,573	Deputy Sheriff (minimum reflects 0.7% regrade and $2,171 supplement at the end of first year and completion of the academy)
Suffolk				No Recruit Level	35,083	43,854	52,525	Deputy Sheriff

Note: **Chesapeake and Newport News are the only jurisdictions that reported a separate trainee or recruit title for deputies while in training. Chesapeake's trainee is assigned to a pay range, though they are promoted to Deputy Sheriff before they reach the pay range maximum (similar to our Police Officer Recruit). Newport News has a flat salary for the Deputy that is used for deputies in training.**

Virginia Beach, Hampton, and Portsmouth do not have a separate trainee title. However, these cities provide a specific percentage pay increase upon completion of training, and use this percentage increase as the reported minimum for the Deputy Sheriff upon completion of training. The midpoint shown for the First Level Deputy is based on the minimum and maximum assigned to the title.

Administrative Directive

Title: Grant Management		Index Number: AD 1.05
Date of Adoption: 09/06/94	Date of Revision: 06/30/2006	Page: 1 of 8

1.0 Purpose and Need

Grant funds from state, federal, or other agencies and organizations are an important revenue source that can aid the City in providing quality services to citizens and customers while keeping our taxes as low as possible. The growing increase in the number of grants awarded to the City has necessitated a higher level of coordination to ensure that grant funds are being used to achieve the City's Strategic Plan and derive the greatest benefit.

Departments are urged to solicit grants - especially where a grant will help achieve the City's Strategic Plan, enhance or support the City's basic services, or address any other City priority - while trying not to incur a high level of overhead on small grants that do not greatly influence the City's strategy.

Prior to seeking grant funding, a department should consider the following:

- Will the grant be used to address a City strategy or other priority?
- Would the grant funding be used for a previously identified need of the City for which no other source of funding is available?
- If the program being funded by the grant is needed to accomplish a City priority or achieve the department's mission, should it be supported instead by City funds to ensure that adequate resources are made available?
- Will the grant provide only short term financing for a long-term commitment on the part of the City?

This Directive provides guidance on the process to be used by City departments in pursuing grants, and establishes a centralized means of identifying which grants are being sought, thereby promoting a systems approach to the use of grant funds.

2.0 Administrative Directive

No part of this Directive should be construed as superceding any portion of the adopted annual operating budget ordinance or Capital Improvement Program ordinance. In the event of a conflict between this Directive and either ordinance, the ordinance shall control.

All grant applications must be signed by the City Manager or appropriate designee prior to submission to the granting agency. All grants must be appropriated through the budgetary process, through the Council Agenda Process, or where applicable, through the use of the grant reserve (which is appropriated annually as part of the budget).

All grants must comply with all City policies and procedures, including the purchasing and technology improvement policies, and the City Attorney's Contract Preparation/Review Guidelines. Any grant that includes personnel costs must comply with all City personnel policies. The agenda request and ordinance shall include language indicating that the position is authorized only for the duration of the grant period, unless continued employment is required

by the grantor and approved by the City Manager prior to accepting the grant funding. The employee will be notified in writing upon hire that the position is subject to the continuation of grant funding and expiration of the grant will result in elimination of the position.

3.0 Procedure to Accomplish Administrative Directive

A. Grant Application Phase

The procedure for completing and submitting grant applications is bulleted below. Specific details are included in subsequent paragraphs.

- **Step 1**: Department identifies a need for services, equipment or programs.
- **Step 2**: Department seeks grant programs that support services related to the identified need.
- **Step 3**: Department informs Management Services staff (assigned budget analyst) of intent to apply for grant funding.
- **Step 4**: Management Services notifies department to proceed with application development; if there is a concern regarding the request, Management Services forwards the request to the responsible Chief who will make the determination whether to proceed with the application phase.
- **Step 5**: Department prepares grant application (with the Director's endorsement), routes it to other affected departments (including ComIT for those with technology components), and forwards it to Management Services, accompanied by the required grant forms (available on the Management Services BEACHnet site).
- **Step 6**: Management Services evaluates grant and forwards the application and recommendation to responsible Chief. In some instances, the City Manager's signature may be required.
- **Step 7**: Once application is approved and signed, department submits grant to grantor agency.

B Grant Management Phase

The procedure for appropriating and managing grants is bulleted below. Specific details are included in subsequent paragraphs.

- **Step 1**: Department notifies Management Services that grant was approved and drafts an agenda request to accept the grant and appropriate funding. If additional paperwork, such as a formal acceptance is required, the department will forward this to Management Services to obtain signature from the responsible Chief and/or City Manager. Department notifies City Manager's Office to place grant on Council agenda.
- **Step 2**: Management Services drafts the ordinance and forwards it to the City Attorney.
- **Step 3**: Department representative attends the agenda meeting (Wednesday prior to Council date).
- **Step 4**: Once Council appropriates the grant, Management Services assigns a grant number and enters the related budget journal in ViBES. In the event that City Council declines the grant, the submitting department is responsible for notifying the grantor in writing that the City will not be accepting the grant.

- **Step 5**: Department begins managing the grant in accordance with the grant application and guidelines. Department must coordinate with Finance to determine responsibility for financial reporting. If the department submits financial reports, copies of each must be forwarded to the Comptroller's Office of the Finance Department. The department managing the grant is responsible for maintaining all grant-related records and ensuring reporting requirements are met.

- **Step 6**: When the grant period is completed, the department shall contact Finance to coordinate closing the grant in ViBES.

Grant Review and Authorization:

- The specific process required for grant review is outlined on the Management Services intranet site (on BEACHnet) under the "Grant Management" link. This link includes the "City of Virginia Beach Grant Management Process" flow chart and written procedures. These documents outline the specific process that should be followed, list all forms that are required to be completed, and provide a list of resources for departments applying for grants. All applicable forms are also available from this link.
- No grant application shall be submitted to a granting agency without prior review by the Department of Management Services and signature of approval by a member of the Management Leadership Team
- Any City department or agency that intends to apply for a grant shall provide a copy of the full grant application and all required forms to the Department of Management Services at least ten (10) business days prior to the date the grant application is due to the granting agency
  - It is necessary to allow Management Services ten (10) business days for review to ensure that it is adequately reviewed by Management Services staff and allow routing and review by the appropriate member(s) of the Management Leadership Team.
  - Management Services staff will work with departments on a case-by-case basis, where the granting agency has not provided ample notice to provide the required ten (10) business days for review; however, this does not exempt any grant from review by Management Services.

Requirements for Completing and Submitting Online Grants:

- If a grant is completed in an online database, a hard copy should be provided to Management Services to complete the required review and to maintain for central filing.
- The signature can be obtained on the grant routing form or on the cover letter from Management Services.
- A "Designee Authorization Form" should be completed and signed as well (available on the Management Services BEACHnet website).
- Please note that many online databases require authorization of the applicant prior to submission that may require several days to complete. Departments should plan their grant development accordingly.

Requirements for Legislative Approval:

- While all grants are subject to review by Management Services and require authorization by the City Manager, some grants may not require independent Council action. Certain grants can be appropriated through the use of grant reserve accounts, which are appropriated annually as part of the budget.
- Grants meeting the following criteria do not require City Council action, provided there is ample funding in the grant reserve accounts to accommodate the appropriation.

- The grant does not establish new and/or ongoing services to the community.
- The grant in total is $10,000 or less (amount from grantor, plus any associated match).
- The grant does not authorize additional full time or part time FTEs.
- Grantor requirements do not mandate acceptance by legislative body (i.e., City Council).

- Management Services will work with departments when there are special circumstances for other small grant programs, such as compressed timelines, that do not easily facilitate Council approval.

Requirements for Grants with Technology Components:

- The submitting department is responsible for routing grants that have technology components associated with them to ComIT during the application phase. The department is responsible for coordinating all technology equipment and infrastructure needs with ComIT staff after submission of the grant.

Inclusion of Grants in the Operating or Capital Budget:

- Guidelines for including grants in the annual operating budget include: the grant is on-going, non-competitive and/or allocated on a formula basis such that the revenue can be reasonably estimated based on the historical amount received.
- A department can include a grant in the operating budget request; however, the grant should be included in the appropriate grant fund and necessitates assignment of a grant number by Management Services.
- The CIP may also include grant funding that is of a one-time or ongoing nature.
- Grants that are appropriated as part of the annual operating or capital budgets will be reviewed in conjunction with departmental budget requests; however, Management Services will still review applicable paperwork for grants that are budgeted. The grant application and/or acceptance paperwork must still be approved and signed by the City Manager or appropriate Chief prior to submission to the granting agency for budgeted grants.
- It is still necessary for the requesting department to forward any documentation to Management Services for signature by an appropriate member of the MLT and inclusion in central filing
- The department must notify Management Services of differences between the estimated and actual amount of all grants so that adjustments to appropriations may be made
- An award letter is required for any new grant before it can be included in either the operating budget or CIP.

Financial Controls Applied to Grants (Source: June 23, 2005 memo to departments from Finance and Management Services):

- The ViBES controls that are applied to operating budget appropriation units also apply to grants. However, grants are also controlled at the budget unit level. In general (exceptions are outlined below), the grant controls apply first to the grant number, then the budget unit number and then the object code. A grant number designates the overall appropriation unit; appropriations in one grant within a fund cannot offset appropriations within another grant in that same fund. Grants are also controlled at the budget unit level, which affects multi-departmental grants that have multiple budget units under the same grant number. Every single budget unit must balance within that grant.
- Grants also have the same controlled accounts applied, except at the budget unit level: Reserve for Contingencies (600s), Personal Services (601s and 602s combined), Operating Expenses (603s to 606s combined), Leases and Rentals (608s), Land Structures and Improvements (609s), and Debt Service (610s). These categories cannot exceed appropriations for those accounts. Part time salaries and capital outlay are controlled at the line item level in ViBES; however, for budgetary and purchasing

- purposes, it is necessary to have adequate appropriations for each capital item (not the line item in total).
- Grants involving FEMA Team deployments and certain housing grants that are subject to special circumstances are the exceptions to the application of the above ViBES controls. The requirements of these grants would render the application of these financial controls impractical.

Supplanting:

- Special focus is needed in the evaluation of grants regarding supplanting. Supplanting involves replacing one source of funding for another.
- The City Council adopted a policy in 2001 which states, "It is the policy of the City Council to prevent, to the extent possible, the shifting of financial responsibility for state, federal, or privately funded programs to the citizens of Virginia Beach by not supplanting those funds with local funds when those agencies reduce funding to various community programs that rely on that funding."
- In addition, many grants are requiring that the City certify that the funding will not supplant any funding already being used for the same purpose. For example, a Police Department grant may require that the grant funding not supplant any funding allocated for law enforcement uses, thus using vacancy funding from police officers to match the grant would not be allowable under the grant. In meeting non-supplanting requirements, the City considers the redirection of appropriated funding supplanting. This would not apply to funding that is programmed or planned in future years.

4.0 Responsibility and Authority

Department Directors shall be responsible for reviewing and providing a written endorsement of all grant applications submitted by their department, either in paper form or electronically. All grant applications shall be reviewed by Management Services and approved with signature by the responsible Chief and/or the City Manager prior to submission to the granting agencies. Before a grant can be submitted electronically, the individual that is preparing the application must be authorized by the City Manager to submit the grant. A "Designee Authorization Form" is located on the Management Services BEACHnet site under "Grant Management."

A. City departments are responsible for the following:

1. Seeking grant funding for identified needs that are not otherwise funded.
2. Obtaining all required signatures pertaining to the grant application and grant acceptance (recommended to be coordinated through Management Services after grant review).
3. Completing applications for identified grants in accordance with guidelines prescribed by the granting agency.
4. Collaborating with other departments as needed to ensure that grant funding provides the greatest possible benefit.
5. Submitting the full grant application package and completed grant forms to the Department of Management Services, ten (10) business days prior to the grantor's due date.
6. Initiating the agenda request process to acquire City Council acceptance of the grant and appropriation of grant funds once written approval notice is received from the grantor agency, if applicable.
7. Developing agenda requests for resolutions as required by granting agencies.
8. Administering the grant-funded program and ensuring that all City policies are followed and all grant requirements are met.
9. Ensuring that grant expenditures are within the awarded grant funding.

10. Coordinating with the City's Finance Department to ensure that grant funding is requested and received in a timely manner, and providing the Finance Department with a copy of the grant agreement and fiscal procedures.
11. Submitting all reports as required by the granting agency, including coordinating financial reporting with the City's Finance Department.
12. Notifying Human Resources at least one (1) pay period prior to any grant position no longer being funded.
13. Maintaining all documentation for grants for a minimum of three (3) years, unless the grantor specifies a longer duration.
14. Notifying Audit Services of any contact from the granting agency or other external agency concerning an audit or review.
15. Notifying Audit Services of concerns about violations of federal, state and/or local laws and regulations or suspected improprieties related to the grant program.

B. The Department of Management Services is responsible for the following:

1. Functioning as process owner of the grant management process and a resource for agencies, with regard to the grant process and grant development.
2. Assisting departments in identifying sources of grant funding and reviewing grant proposals.
3. Providing a timely review of grant applications prepared by departments.
4. Assisting departments in the preparation of agenda items seeking City Council acceptance of a grant and appropriation of grant funding.
5. Maintaining the following information on file as part of the department's role in resource management:

    a. A copy of the grant application.
    b. The department's grant analysis review.
    c. A copy of the agenda package, including the signed appropriation ordinance, and the associated journal voucher.
    d. A copy of the signed grant acceptance form, where applicable.
    e. A copy of the award letter.

6. Communicating with other City agencies and departments after acceptance and appropriation of the grant.
7. Providing copies of all grant-related budget information to the Comptroller's Office of the Finance Department, and to the Payroll Division of the Finance Department and Human Resources when a grant involves charges to part-time or full-time personnel.
8. Ensuring that City departments are familiar with the grant management process and providing grant training about the City's process on an annual basis.
9. Ensuring that Council ordinances include wording that indicates that grant-funded positions will be terminated when grant funding is no longer available.
10. Assigning revenue codes and grant numbers to awarded grants, and notifying Finance of awarded grants through a copy of the completed budget journal.
11. Coordinating multi-departmental grants to ensure a Citywide focus.

C. The Department of Finance is responsible for the following:

1. Functioning as process owner of grant reporting and accounting.
2. Serving as fiscal agent, when required by the grant.

3. Reviewing each grant periodically to ensure that grant funding is requested and received in a timely manner, including tracking all revenues received and expenditures made.
4. Ensuring that ended grants are properly closed out.
5. When necessary, submitting required financial reports to the granting agency.
6. Ensuring that grant controls are set in ViBES.
7. Providing grant training on grant reporting and accounting on an annual basis.
8. Obtaining copies of all funding requests and financial reports that are not completed by the Finance Department.

D. The Department of Human Resources is responsible for the following:

1. Indicating on the Personnel Transaction Form (P-3) of any employee hired with grant funding that the position is funded under a grant.
2. Ensuring that grant-funded personnel are aware upon hire that their positions are authorized for a set time frame or certain amount of grant funding and ensuring that grant-funded personnel sign paperwork to that effect.
3. Processing a grant-funded position out of the system after receiving notification that the grant has been discontinued.
4. Assigning position control numbers to full-time grant positions.

E. The Department of Audit Services is responsible for the following:

1. Providing technical and/or advisory services to the department or program managers regarding program operations and compliance.
2. Providing advice and guidance on audit related matters.

5.0 Definitions

Grant: Funding awarded to the City by another level of government or by an outside agency or organization, and which generally meets the following requirements:

- The funding supports a public purpose.
- The funding is for a specified period of time.
- An application process is required to obtain the funds.
- Acquiring the funds is generally the result of a competitive process or funds are distributed on a formulary basis.
- Periodic reports are required to be submitted to the granting agency.
- The grant is subject to audit by the granting agency.

Annual Grant: A grant that is awarded annually, regardless of the specific grant period (e.g., City fiscal year, federal fiscal year, or calendar year).

Multi-Year Grant: A grant that affects the appropriation of funding beyond one (1) fiscal year.

Appropriation: Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for grant programs can be included in and approved by City Council in the Adopted Operating Budget and Adopted Capital Improvement Program or may require subsequent action by City Council outside of the budgetary process.

Legislative Approval: Refers to (1) the need for City Council to accept and appropriate a grant to provide departments the authority to spend grant funding; or (2) the requirement by the grantor that City Council formally endorse or accept a grant, whether before the application is submitted or after the grant is awarded. Guidance for when legislative approval is not required to provide spending authority is provided on page 3 of this Directive.

Agenda Request: A formal request to be placed on the City Council agenda. The agenda request is required to allow the Council to vote to appropriate the grant funding. Grant funding that has not been appropriated may not be spent.

Ordinance: An ordinance, or an amendment to an ordinance, is a formal and binding type of Council legislation. A roll call of the Council records the Council's action on all ordinances. Before grant funding can be spent it must be appropriated. Because the budget is a legal document, any expenditures that are not included in the budget document must be ratified by Council as a separate ordinance. The ordinance appropriates grant funds for the department to spend.

Resolution: A resolution is a formal type of Council legislation. Passage of a resolution indicates the Council's policy on a certain matter, or it may direct a certain type of action to occur. It requires only one reading. This is a statement of intent by the City Council to participate in the grant program. Resolutions may be required for grants prior to award or after the grant has been awarded. This does not constitute an appropriation or a formal acceptance of grant funding, but only an agreement in principle.

Supplanting: Substituting one source of funding to augment reductions in funding by another agency. The City's policy of not supplanting federal, state or private funding reductions with local funding applies to grants. Match requirements for grants are not considered supplanting. Grants are increasingly requiring that the City certify that federal, state or private funding are not supplanting local funds intended for the same purpose as well.

6.0 Specific Requirements

Subject to any other provision of the law, all agencies and departments shall administer all grants in accordance with this Directive and related supporting documents.

Approved as to Content:	Catheryn R. Whitesell Director of Management Services	08/25/06 Date
Approved as to Legal Sufficiency:	Leslie L. Lilley City Attorney	08/30/06 Date
Approved:	David L. Hansen Chief Financial and Technology Officer	08/31/06 Date
Approved:	James K. Spore City Manager	08/31/06 Date

Administrative Directive

Title: Resource Administration Directive		Index Number: AD 7.01
Date of Adoption: 07/01/92	Date of Revision: 01/31/03	Page: 1 of 8

1.0 **Purpose and Need**

The Annual Operating Budget Appropriation Ordinance authorizes the City Manager or the Director of Management Services to establish and administer budgeting within appropriation units, consistent with best management practices, reporting requirements, and programs and services adopted by the City Council

The Resource Administration Directive has been established to:

1. Maintain the requirements of the City Charter, the City Code, the Annual Operating Budget Appropriation Ordinance and the Capital Improvement Program Appropriation Ordinance.

2. Ensure the financial integrity of the City through the establishment of policies which provide that the appropriation authority granted by the Annual Operating Budget and the Capital Improvement Program Appropriation Ordinances is not exceeded, without prior approval of Council

3. Provide a framework for responsible expenditure decisions.

4. Maximize the flexibility and accountability of Department Directors in responding to the demands of their departments' missions and in fulfilling their program objectives, while adhering to legal and administrative policies.

2.0 **Administrative Directive**

Subject to any other provision of the law, all agencies and departments shall administer their operating budgets in accordance with this directive.

3.0 **Procedure to Accomplish Administrative Directive**

The Department of Management Services is responsible for coordinating the City's Resource Management Plan and making recommendations to the City Manager. Management Services shall act as the City Manager's designee in the approval of appropriation transfer requests. Management Services will coordinate annual fiscal management training with Finance, Human Resources, Audit Services, and other interested departments. Budget unit managers are strongly encouraged to attend.

All related forms are available on the Department of Management Services intranet page. Detailed instructions and overviews of procedures are also described on the site. Forms can be submitted electronically; however, a signed hard copy must also be submitted to Management Services. Only employees whose signatures are on file with Management Services are authorized to sign transfers.

Any modifications to appropriations within controlled accounts will require submission of a Transfer of Appropriations form or Redefinition of Funds Letter to be approved by Management Services. The departments

3.0 **Procedure to Accomplish Administrative Directive** (continued)

should send these requests directly to Management Services. Management Services will notify Council of approved transfers between $25,000 to $100,000 on a monthly basis.

City Council approval is required for any transfer that 1) exceeds $100,000, 2) significantly expands an existing program, 3) initiates a program that has not previously been requested in the budget, 4) increases permanent positions, or 5) appropriates new funds. Departments must follow the Agenda Process for these requests.

All requests for new programs, program enhancements, or expansions of programs will be reviewed by Management Services, with recommendations made to the City Manager or his designee as to the appropriateness of the request. Management Services will evaluate all requests for changing the scope of use for funds appropriated in the budget document. In general, only program additions or enhancements that were requested but not funded during the budget process are eligible for consideration. Exceptions may be made in cases where the department could not reasonably foresee the need for the request (example: new mandate, change in technology, etc). Programs that involve redirection of existing funds that are available within the requesting department's fiscal year appropriation and do not require additional funding in future years or involve additional permanent FTEs may not necessitate Council action.

Internal Service Funds will also be required to submit requests for new programs, program enhancements, or expansions of programs, which will be reviewed by Management Services. Recommendations will be made to the City Manager or his designee as to the appropriateness of the request. Management Services will evaluate all requests for changing the scope of use for funds appropriated in the budget document. The same evaluation criteria apply to requests from Internal Service Funds. Additionally, the only use of retained earnings by Internal Service Funds that does not require Council action is increasing the cost of goods sold.

Department Directors may appeal the disapproval of funding requests by Management Services staff to the Director of Management Services. All information related to the request, including the reason(s) for denial, will be forwarded for review and reconsideration. Should the Director of Management Services also disapprove the request, Department Directors may appeal the decision to the Management Leadership Team. All information related to the request, including the reason(s) for denial, will be forwarded to the Management Leadership Team for review and reconsideration. Decisions of the Management Leadership Team are final.

4.0 **Responsibility and Authority**

1. Department Directors

   Department Directors have a responsibility to ensure that:

   a. The expenditures and encumbrances do not expand, enhance or create programs which will be an on-going commitment or will create a future liability of the City, beyond the current fiscal year, without the approval of the City Manager and City Council.

   b. The appropriation units remain balanced so that the aggregate total of expenditures and encumbrances does not exceed the aggregate total of the adjusted appropriations in each appropriation unit.

   c. The estimated revenues which support each program are or will be realized by the City, and that Special Revenue and Enterprise Funds do not expend more than the realized revenues.

4.0 **Responsibility and Authority** (continued)

d. The balance of each appropriation unit is maintained within each fund. Should an appropriation unit contain appropriations from different funds, the balance of each fund must be maintained separately and exclusively from the other funds within that appropriation unit.

e. The expenditures and encumbrances conform to City Council's policies and other expenditure restrictions. Department Directors should be aware of unique policies or restrictions relating to their own programs. (In general, copies of all policies established by the administrative departments are forwarded to operating departments, who are responsible for retaining them.)

f. Departments conform to the policies and procedures of the City's Grant Management Process, as described in Administrative Directive 1.05.

g. The total expenditures for Personal Services (601s and 602s), Capital Purchases (607s), and Land Structures and Improvements (608s), do not exceed appropriations for those accounts.

Note: Part time salaries line item is the exception to balancing at the account category level for the above controlled accounts. This line must balance alone at the appropriation unit level to ensure that the aggregate amount expended for part time salaries does not exceed the amount appropriated for that purpose because overspending in this account may result in exceeding the number of authorized positions within the appropriation unit. Appropriations in this line may offset other Personal Services expenditures, but other appropriations in Personal Services expenditures cannot offset part time salaries.

h. The aggregate total of expenditures and encumbrances for non controlled accounts (603s, 604s, 605s, and 606s) does not exceed the aggregate total appropriated for those accounts for the appropriation unit.

i. Budget Unit Managers are encouraged to attend annual training provided jointly by Management Services, Finance, Human Resources, Audit Services, and other interested departments to maintain accurate and effective budget management.

Department Directors are authorized to perform the following:

j. Make spending adjustments within non controlled accounts that do not exceed the scope or intent of the department's approved budget (i.e., there should be no new or expanded programs). It is not necessary for individual line items to balance; the non controlled accounts for the appropriation unit must balance in total. See definition in section 5.0. All other requests will be evaluated and approved by Management Services in the form of Transfers of Appropriations and City Council Agenda Requests.

k. Request a personnel transaction (i.e., promotion or reclassification) provided that existing budgetary funds are available in the salary and fringe benefit accounts within the budget unit to offset any increase in expenditures.

Prior to making a personnel request, the department must certify to the Department of Human Resources that adequate appropriations are available within the personnel accounts to offset increased costs. If the funds are not available, the department must request a transfer to the appropriate budget unit. The transfer must be approved prior to the effective date of the promotion/reclassification.

l. Prepare a Transfer of Appropriations Request or prepare a City Council Agenda Request, where applicable. (See City Manager and City Council sections for requirements of these requests.)

4.0 **Responsibility and Authority** (continued)

m. Request a redefinition of Capital Outlay appropriations via submission of a letter to Management Services indicating the justification for the request and the reason that there is available funding to be redefined.

2. The City Manager, or his designee, is authorized to transfer funding in accordance with the Annual Operating Budget Appropriation Ordinance, Capital Improvement Program Appropriation Ordinance, and Section 2-187.1 of the City Code.

Authorization is required from the City Manager, or his designee, to:

a. Transfer appropriations of up to $100,000, to or from controlled accounts, between appropriation units, from Reserves for Contingencies accounts, or between capital projects. Management Services provides a monthly report to City Council of transfers between $25,000 and $100,000.

i. Transfers to and from controlled accounts (especially personnel accounts) will be evaluated on a case-by-case basis to determine the emergency nature of the request. Criteria for consideration include: 1) the request is mission critical, 2) there is an adequate justification of the emergency nature, 3) the benefits of the request exceed the costs and the impact of not immediately implementing the request would disrupt service delivery (i.e., why the request cannot wait until the next budget process), and 4) the item was requested by the department during the budget process and was ranked favorably by the Caucus.

ii. Evaluation criteria for Transfers of Appropriations include: 1) the expenditure could not be reasonably anticipated during the budget process, 2) the request results from a mandate, or 3) the request constitutes a change in operating policies and procedures as a result of direction from the City Manager or City Council.

iii. Requests for transfers from Reserves for Contingencies will not be considered unless Management Services determines with the department that the appropriation unit cannot absorb the cost first, within the department's non controlled accounts and second, within controlled accounts that are anticipated to have excess funding.

iv. Transfers within Internal Service Funds exceeding $100,000 must be approved by City Council if it is outside the scope of the approved budget. Any use of retained earnings must be approved by City Council unless it involves increasing the cost of goods sold.

b. Transfer positions between budget units, divisions, and departments, subject to the $100,000 limit on transfers. (Operating Budget Ordinance).

c. Approve and redefine the use of appropriations for specific Capital Outlay items (607s).

d. Increase the number of part time FTEs within the current fiscal year, subject to the $100,000 limit on transfers, provided that the aggregate amount expended for such positions does not exceed the respective appropriations. (Operating Budget Ordinance).

e. Transmit items to City Council for adoption.

f. Decrease estimated revenues and corresponding appropriations to reflect expected revenue collections. City Council must be notified of reductions greater than $100,000.

4.0 **Responsibility and Authority** (continued)

g. Transfer excess appropriations to Reserves for Contingencies, after all anticipated expenditures for which those funds were appropriated have been included.

h. Transfer appropriated funds and existing positions as necessary to implement organizational adjustments that have been authorized by the City Council. The City Manager shall report to the City Council regarding the status and progress of any such organizational adjustments on an annual basis.

i. Carry forward appropriations which were authorized but not completed prior to the end of the fiscal year. These requests are reviewed for appropriateness and to ensure that there is sufficient fund balance to meet City Council policies. Salary funds are not eligible to be carried forward (Operating Budget Ordinance). Criteria for Carry-forward appropriations are: 1) the funds shall remain in the same fund, budget unit, and account code; 2) the item was specifically appropriated for the purpose identified in the request; 3) the legal appropriation unit or department has an unencumbered balance greater than the amount requested; 4) the fund balance of the affected fund has sufficient funding available at the close of the books to fund the continuation of the appropriation and is compliant with all prescribed policies; and, 5) the item to be carried forward must be critical to the mission of a program or service offered by the City. Carry forwards are not to be used to re-appropriate "surplus" funds or to be used as an alternative source of funding from the current fiscal year to the subsequent fiscal year that is not in alignment with its original intended use.

j. Adjust the financing sources for various capital projects to reflect effective utilization of financing sources. The City Manager or his designee may also reduce appropriations to any capital project to reflect reductions in financing sources. However, prior notice to City Council is required for any reductions to total appropriations greater than $100,000.

k. Transfer from dedicated Reserves for Contingencies that have funding for a specific purpose.

l. Make corrections to the budget where movement of funds does not change the intent of the original appropriation, but allows for proper accounting of the funds.

3. City Council is authorized to amend the Operating Budget during the fiscal year. City Council approval is required for all of the following actions prior to the utilization of funds:

a. Amend original appropriations through supplemental appropriations of additional revenue, fund balance or retained earnings.

b. Amend the Operating Budget and Capital Budget through the transfer of appropriations that exceed $100,000.,

c. Increase the total number of permanent positions.

d. Implement new, significant expansions or enhancements to programs or services, which will be an ongoing commitment or a future liability for the City beyond the current fiscal year. Any request that was not considered during the budget process will constitute a new program and will require City Council action. Any request deemed to exceed the scope of authority and intent reflected in the Resource Management Plan by the City Manager or his designee will require City Council action.

e. Initiate a new capital project.

5.0 **Definitions**

Terms are defined as they relate to the Operating and Capital Budget administration and provide a general explanation of technical concepts.

Account Categories: Line item expenditure account codes are grouped and numbered according to general uses. They are identified by the first three digits: 60X, where the 6 signifies that it is an expenditure. Following is a list and brief description of account codes.

- 601s – Personal Services: Compensation of direct labor of persons in the employment of the City; salaries and wages paid to employees for full-time, part-time, and temporary work; payment for contracted manpower.
- 602s – Fringe Benefits: Job-related benefits provided for employees as part of their total compensation.
- 603s – Contractual Services: Services acquired on a fee basis or a fixed-time contract basis from outside sources.
- 604s – Internal Services: Charges to departments for intra-governmentally provided support services such as microcomputer support, automotive services, internal telecommunications, print shop and risk management.
- 605s and 606s – Other Charges: Expenditures for all other purposes such as utilities, external telecommunications, office supplies, furnishings, uniforms, professional development, travel and membership dues.
- 607s – Capital Outlay: Expenditures resulting in the acquisition of, or addition to, fixed assets which cost $5,000 or more.
- 608s – Leases and Rentals: Leases not capitalized and rental of land, structures and equipment.
- 609s – Land Structures and Improvements: Major capital facilities, with a total cost less than $50,000, that are constructed or acquired, such as land or buildings, and alterations to existing properties. Any project over $50,000 may be a Capital Project and is addressed through the Capital Improvement Program.

Agenda Request: Document through which a department seeks approval of an ordinance for appropriation amendments or any increases in permanent positions that require City Council approval.

Appropriation: Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for each program area are outlined and approved by City Council each fiscal year in the Adopted Operating Budget and Adopted Capital Improvement Program.

Appropriation Amendment: Adjustments made to the Annual Operating Budget during the fiscal year.

Appropriation Ordinance: Formal legislative enactment by Council. Means through which the Resource Management Plan is enacted into law. It establishes spending mandates, provides legal authorization for spending throughout the fiscal year and creates limits which cannot be exceeded without subsequent Council actions. It is also the mechanism used to amend the Operating and Capital Improvement Budgets.

Appropriation Unit: The legal level at which the Operating Budget must balance at the close of the fiscal year, as required by the appropriation ordinance. Appropriation units are the basis on which Council adopts the appropriation ordinance that is submitted with the Operating Budget and Capital Budget. In general, an appropriation unit is equivalent to a department, within a single fund.

5.0 **Definitions** (continued)

Controlled Accounts: Expenditure category over which the City Manager has retained authority (inside and outside the departments) for transactions to or from these accounts. Controlled accounts include Personal Services (601s), Fringe Benefits (602s), Capital Outlay (607s), Land Structures and Improvements (609s), as well as any transfers of appropriations affecting Capital Projects and Reserves for Contingencies funds.

Estimated Revenues: The amount of revenue estimated to support appropriations.

Full-Time Equivalent (FTE): Equivalent to the actual hours worked by a full-time position (greater than or equal to 1950 hours annually), employed a minimum of 37.5 hours per week for 52 weeks per year.

Fund: Separate group of self-balancing accounts which contain related liabilities and resources. Because each fund is a separate fiscal entity, the resources and liabilities should not be intermingled between funds.

Fund Balance: Referred to as retained earnings in an Enterprise or Internal Service Fund. It results from collecting revenues greater than expenditures and from appropriations that were not expended during the fiscal year. It must be authorized for expenditure (appropriated) by Council prior to spending. Any use of retained earnings must be approved by City Council unless it involves increasing the cost of goods sold.

Management Leadership Team: Decision making body comprised of the City Manager, the Chief Operating Officer, the Chief of Staff, the Chief Financial Officer and the Chief Information Officer.

Non-Controlled Accounts: Accounts over which the City Manager does not exercise control. These include Contractual Service Accounts (603s), Internal Service Charges (604s), Other Charges (605s and 606s), and Leases and Rentals (608s).

Part-Time Employee: A City employee who is scheduled to actually work less than 37.5 hours per consecutive week, or an employee who is scheduled to actually work 37.5 hours per consecutive week for less than 52 consecutive weeks.

Redefinition: Changing the budgeted purpose of funds from a specific capital outlay item to another capital outlay item.

Resource Management Plan: Document that outlines the expenditures, personnel and revenues needed for financing the annual operations, services and programs of the City government. It is comprised of the Annual Operating Budget and the Capital Improvement Program.

Retained Earnings: See Fund Balance.

6.0 **Specific Requirements**

Subject to any other provision of the law, all agencies and departments shall administer their operating budgets in accordance with this directive.

Approved as to Content:	Catheryn R. Whitesell Director, Department of Management Services	01/27/03 Date
Approved as to Legal Sufficiency:	Leslie L. Lilley City Attorney	02/09/03 Date
Approved:	Steven T. Thompson Chief Financial Officer	02/12/03 Date
Approved:	James K. Spore City Manager	02/27/03 Date

Glossary of Terms

Definitions of terms used in the Operating Budget document are given below:

Account Categories – Line item expenditure account codes are grouped and numbered according to general uses. They are identified by the first three digits: 60X, where the 6 signifies that it is an expenditure. Following is a list and brief description of account codes.

- Personal Services: Compensation of direct labor of persons in the employment of the City; salaries and wages paid to employees for full-time, part-time, and temporary work; payment for contracted manpower.
- Fringe Benefits: Job-related benefits provided for employees as part of their total compensation.
- Contractual Services: Services acquired on a fee basis or a fixed-time contract basis from outside sources.
- Internal Services: Charges to departments for intra-governmentally provided support services such as microcomputer support, automotive services, internal telecommunications, print shop and risk management.
- Other Charges: Expenditures for all other purposes such as utilities, external telecommunications, office supplies, furnishings, uniforms, professional development, travel and membership dues.
- Capital Outlay: Expenditures resulting in the acquisition of, or addition to, fixed assets which cost $5,000 or more.
- Leases and Rentals: Leases not capitalized and rental of land, structures and equipment.
- Land Structures and Improvements: Major capital facilities, with a total cost less than $50,000, that are constructed or acquired, such as land or buildings, and alterations to existing properties. Any project over $50,000 may be a Capital Project and is addressed through the Capital Improvement Program.

Accrual Basis of Accounting – Where revenue and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period. This is the accounting basis that generally is required to be used in order to conform to generally accepted accounting principles (GAAP) in preparing financial statements for external users.

Agenda Request - Document through which a department seeks approval of an ordinance for appropriation amendments or any increases in permanent positions that require City Council approval.

Agricultural Reserve Program (ARP) - A program aimed at preserving agricultural land and identity and reducing urban sprawl in Virginia Beach. Through this program, the City will acquire development rights to farm land.

Annual Grant – A grant that is awarded annually, regardless of the specific grant period (e.g. City fiscal year, Federal fiscal year, or calendar year).

Appropriation - Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for each program area are outlined and approved by City Council each fiscal year in the Adopted Operating Budget and Adopted Capital Improvement Program, and is also used in conjunction with the appropriation of estimated revenues.

Appropriation Amendment – Adjustments made to the Annual Operating Budget during the fiscal year.

Appropriation Ordinance - Formal legislative enactment by City Council. Means through which the Resource Management Plan is enacted into law. It establishes spending mandates, provides legal authorization for spending throughout the fiscal year and creates limits which cannot be exceeded without subsequent City Council actions. It is also the mechanism used to amend the Operating and Capital Improvement Budgets.

Appropriation Unit - The legal level at which the Operating Budget must balance at the close of the fiscal year, as required by the appropriation ordinance. Appropriation units are the basis on which Council adopts the appropriation ordinance that is submitted with the Operating Budget and Capital Improvement Budget. In general, an appropriation unit is equivalent to a department, within a single fund.

Bad Debt Expense - Incurred when the buyer of a good or service fails to pay for the item. Used primarily by the Enterprise Funds.

Base Realignment and Closure Commission (BRAC) - A federally appointed task force whose mission is to review military installations for possible closure; and/or consolidation and realignment of existing missions, programs, personnel and facilities.

Biennial Budget - A resource management plan that includes revenue and expenditure projections for two years. Usually the first year is adopted by the legislative body and the second year is approved for planning purposes. Virginia State Code requires localities to adopt a budget annually.

Budget Issue - The process for requesting funding for new and expanded programs, and/or identifying existing programs for continuation of funding, given limited resources.

Budget Unit/Organization Code - A compilation of all the costs associated with a particular program.

Capital Improvement Program (CIP) - A program which schedules the financing and construction of major municipal facilities, such as roads, schools, buildings, and water and sewer lines. This program is linked directly to City Council policies, plans, and goals.

Capital Outlay - Outlays resulting in the acquisition of, or addition to, fixed assets which cost $5,000 or more and have an expected service life of more than one year. Exceptions to this are major capital facilities with costs greater that $50,000, which are constructed or acquired - such as land and buildings. These are funded in the Capital Improvement Program (CIP).

Carry Forwards - Funds that are designated for specific needs (e.g., equipment, contracts, etc.) that were approved within the current fiscal year, but were unexpended by year-end are re-appropriated forward into the subsequent fiscal year.

Caucus - An advisory group established in the FY 1997-98 budget development process to share in the decision making process, set priorities, determine approaches, strategies, and actions to ensure a balanced budget, and provide input on the package of services and programs to be recommended to the City Manager. This group was comprised of the City Manager, the Department of Management Services (serving as facilitators and resources), and the Strategic Issue Teams (SIT).

Charges for Services - Fees the City charges users of government services, such as recreation fees, court costs, library fines, and admissions to the Virginia Marine Science Museum.

Charter Bonds - The City Council is authorized by the Virginia Beach City Charter to "... issue bonds or other obligations in any calendar year for any proper purpose in such amounts as shall not increase the total indebtedness of the City ... by more than ten million dollars above the amount of such indebtedness at the beginning of such calendar year ..." without the approval of the qualified voters of the City.

Class - A grouping of jobs having similar duties and responsibilities, requiring similar knowledge, skills and abilities, and demanding similar qualifications so that the jobs may be appropriately titled and described, and the employees performing such jobs may be equally compensated.

Commonwealth, Revenue from the - Funds provided by the Commonwealth of Virginia in support of joint operations and programs.

Comprehensive Regional Information Management and Exchange System (CRIMES) - Computer database access system used by the regional City police departments to access information from the databases of each participating locality.

Contractual Services - Services acquired on a fee basis or a fixed time contract basis from outside sources.

Controlled Accounts – Expenditure category over which the City Manager has retained authority (inside and outside the departments) for transactions to or from these accounts. Controlled accounts include Personal Services (601s), Fringe Benefits (602s), Capital Outlay (607s), Land Structures and Improvements (609s), as well as any transfers of appropriations affecting Capital Projects and Reserves for Contingencies funds.

Current Services – Continue doing exactly what a department does currently without new position requests or additional capital outlay.

Debt Service - The annual principal and interest payments for the debt incurred by the City in the process of acquiring capital outlay or constructing capital facilities.

Depreciation - Used to record devaluable capital investment of buildings and equipment, and to record anticipated uncollectible accounts. Generally this account is not used in the operating budget.

Economic Development Investment Program Fund (EDIP) - This program is a proactive and creative initiative, which enables the City to successfully retain existing employment opportunities and create new jobs, while substantially enhancing the local tax base. These funds are leveraged by business for off-site utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for and purchased from the Virginia Beach Development Authority (VBDA).

Encumbrances - Commitments related to unperformed contracts for goods or services.

Estimated Revenues - The amount of revenue estimated to support appropriations.

Expenditures - Decreases in net financial resources.

Federal Government, Revenue from the - Funds provided by the federal government to compensate the locality for federal program impact, for programs jointly funded by the locality and the federal government, and outright grants such as Library Grants and Sand Replenishment.

Fines and Forfeitures - A broad range of fines and forfeitures for violations of local government ordinances. Examples include fines remitted to the City by the courts for violation of City ordinances, or fines collected by the City Treasurer for violations of City parking regulations.

Fleet Assets - Vehicles and equipment managed by Automotive Services. May or may not be included on the rolling stock replacement inventory.

Fringe Benefits - Job-related benefits provided for employees as part of their total compensation, such as employer's portion of FICA, Medicaid FICA, retirement, insurance (health, life, and dental), disability income, and employees allowances.

Full-Time Equivalents (FTE) - Conversion of the number of part time and temporary positions to full time positions. FTE's are computed by dividing the total number of hours worked by 2,080, the total number of hours per year for a full time employee.

Full-Time Position - A position employed 40 hours per week for 52 weeks.

Fund - Separate group of self balancing accounts which contain related liabilities and resources. Because each fund is a separate fiscal entity, the resources and liabilities should not be intermingled between funds.

Fund Balance - Referred to as retained earnings in an Enterprise or Internal Service Fund. It results from collecting revenues greater than expenditures and from appropriations that were not expended during the fiscal year. It must be authorized for expenditure (appropriated) by City Council prior to spending. Any use of retained earnings must be approved by City Council unless it involves increasing the cost of goods sold.

GASB 45 - Beginning July 1, 2007, the Governmental Accounting Standards Board required governments to fully reflect the actuarial costs of "Other Post Employment Benefits" (OPEB) in their accounting records. For the City, retiree health insurance represents OPEB's.

GASB 54 – Beginning July 1, 2010, this requirement from the Governmental Accounting Standards Board completely changed the reporting requirements for Special Revenue Funds (Major Projects, Tourism Growth Investment Fund, etc.) making revenues the determining factor in the budgeting of these funds. Under GASB 54, Special Revenue Funds are required to have their own unique source of revenue; transfers can no longer serve as the primary source of revenues, and the actual source of the revenue must be shown

General Property Taxes - Taxes on real and personal properties, both tangible and intangible, such as vehicles, real estate, and business equipment. Interest and penalties on delinquent taxes are also included in this category.

GovMax - The City's budget system, which is an Internet-based application that incorporates both an operating budget and a capital budget system

Grants Funding awarded to the City by another level of government or by an outside agency or organization, and which generally meets certain requirements.

Health Insurance Portability and Accountability Act (HIPAA) - The Health Insurance Portability and Accountability Act of 1996 (HIPAA) was enacted on August 21, 1996. HIPAA provides for: (1) standardization of electronic formats for transmission of nine specific transactions including claims, electronic remittance advice, eligibility, authorization, pharmacy, enrollment, coordination of benefits, attachments and first notice of claim; (2) security of electronic health information and electronic signatures; and (3) privacy of such patient identifiable information Covered entities include health plans, health care clearinghouses (public or private entities that process standard transactions) and health care providers It is important to note that the regulations extend to business and trade partners of covered entities.

Index of Service Demand - Measurement of the annual increase in demand for City services relative to the rate of growth in population Services included in this index are police, fire, and rescue calls, library book borrowing, solid waste collections, recreation class registrations, health clinic clients, and vehicle registration.

Internal Services - Charges to department for intra-governmentally provided support services such as microcomputer support, mainframe computer services, automotive services, print shop, and risk management.

Lake Gaston - Capital project, which constructed an approximately 84-mile pipeline from Lake Gaston to Norfolk's raw water transmission system to secure a long-term permanent drinking water supply for Virginia Beach.

Land Structures - Major capital facilities constructed or acquired, such as land and buildings, alterations and additions to such major capital facilities, street and dike systems, and water and sewer taps and mains. Total cost of these projects is less than $50,000.

Lease-Purchase - A means of financing whereby the City borrows the funds from a financial institution to pay for the acquisition of major pieces of equipment.

Leases and Rentals - Leases not capitalized and rental of land, structures, and equipment.

Legislative Approval - The need for City Council to approve a grant, as identified in the guidelines of the grant for which funding is being sought. Such approval would typically be required either before the application is submitted or after the grant is awarded. Not all grants include this requirement.

Management Leadership Team (MLT) - Appointed by the City Manager, the MLT's role is to promote and influence alignment of the organization and manage the interfaces of the tasks, processes, and environment by identifying and addressing critical issues and needs, and to communicate with the organization's customers and members.

Merit Increase - A salary increase within the pay range of the class to which the employee is assigned that is awarded based on job performance in accordance with the City's performance appraisal program.

Miscellaneous Revenue - Donations and contributions made to the City.

Mission - A broad statement of the reason for an agency's existence, its purpose and function.

Modified Accrual Basis of Accounting - A mixture of the cash and accrual basis. The modified accrual basis should be used for governmental funds. To be recognized as a revenue or expenditure, the actual receipt or disbursal of cash must occur soon enough after a transaction or event has occurred to have an impact on current spendable resources. In other words, revenues must be both measurable and available to pay for the current period's liabilities. Revenues are considered available when collectible either during the current period or after the end of the current period but in time to pay year-end liabilities. Expenditures are recognized when a transaction or event is expected to draw upon current spendable resources rather than future resources.

Money and Property, Revenue from the Use of - Revenue generated through the investment of funds in money market accounts, or through the lease or rental of City property and concessions, such as Convention Center or Princess Anne Park rentals, vending machine concessions, and use of City copy machines and boat ramps.

Multi-Year Grant - A grant that affects the appropriation of funding beyond one fiscal year.

Net Assets - Denotes fund balance in internal service funds and enterprise funds. Formerly retained earnings in internal service funds.

Non Appropriated Budget - Funding, available to an agency to support its programs, which is provided primarily by the Commonwealth of Virginia or the Federal government. This amount is not appropriated by the City and is shown to provide the total cost of a program.

Non Controlled Accounts - Accounts are controlled in total but not by line-item. These include Contractual Service Accounts (603s), Internal Service Charges (604s), Other Charges (605s and 606s), and Leases and Rentals (608s).

Non Revenue Receipts - The reimbursement of an expense incurred on behalf of other organizations, or the receipt for financing capital outlay or capital projects.

Objectives - Quantifiable statements of the actual and desired level of service or the outcome of policy or activities. These are focused on the mission of the department.

Ordinance - An ordinance, or an amendment to an ordinance, is a formal and binding type of Council legislation. A roll call of the Council records the Council's action on all ordinances. Before grant funding can be spent it must be appropriated. Because the budget is a legal document, any expenditures that are not included in the budget document must be ratified by Council as a separate ordinance. The ordinance appropriates grant funds for the department to spend.

Other Charges - Expenditures for such purposes as utilities service, telecommunications, delivery services, insurance, office supplies, food and food service supplies, agricultural supplies, medical and laboratory supplies, housekeeping and janitorial supplies, office furnishings, vehicle and powered equipment supplies, uniforms and wearing apparel, books, subscriptions and educational supplies, recreational supplies, shop supplies, construction and maintenance materials and supplies, merchandise for resale, shop tools, professional improvement and certifications, travel, contributions, dues and memberships, and claims and bounties.

Other Costs - Includes expenditures financed from Special Revenue, Enterprise, or Internal Service Funds representing allocations for Reserve for Contingencies, Inter Fund Transfers, or Debt Service Costs.

Other Local Taxes - Taxes which the Commonwealth enables the localities to use and set within the State Code. Examples are the local share of the sales tax, business licenses, local vehicle registration fees (LVR), cigarette taxes, etc.

Part-Time Position - A City employee who is scheduled to actually work less than 35 hours per consecutive week, or an employee who is scheduled to actually work 35 hours per consecutive week for less than 52 consecutive weeks.

Pay-As-You Go - (Also known as General Appropriations) An apportionment of funds from the general revenue of the City to an operating department to administer an activity relating to a specific capital project. This method of funding is normally employed as an alternative to additional borrowing. In its current references, pay-as-you-go financing is used to identify funding recently provided from a Council approved real estate tax increase to support capital construction, detailed in the Capital Improvement Program.

Pay Range - The minimum through maximum salary levels assigned to a class.

Performance Indicators - The City uses a balanced scorecard for reporting departmental performance measures. These perspectives are the customer perspective, the financial perspective, the internal process perspective, and the learning and growth perspective.

Permits, Privilege Fees, and Regulatory Licenses - The class of permits, fees, and licenses which includes such levies as user permits to cover costs of processing requests for changes in zoning, building permits, electrical permits, plumbing permits, etc. Regulatory licenses allow for the charging of fees for such services as vehicles-for-hire and refuse disposal services. Also included in this category is the locality's authority to charge fees to license animals and bicycles and mopeds for identification purposes.

Personal Services - Compensation for direct labor of persons in the employment of the City; salaries and wages paid to employees for full-time, part-time, and temporary work, including overtime, shift differential, and similar compensation; and payment for contracted manpower.

Program Group - The program group name which may reflect a budget unit name or a name that best reflects a group of services provided by several budget units within the department.

Public Facility Revenue Bonds - Bonds issued by governments, authorities, or public benefit corporations that are backed by a revenue flow. This debt does not constitute a general obligation debt of the City nor a pledge of the full faith and credit of the City. However, this debt is considered a part of the overall net debt of the City and is included in the City's debt ratio calculations and other debt policies of the City.

Reclassification - A reassignment of the appropriate job title and pay range of an employee whose job responsibilities have been determined by the Director of Human Resources to have evolved to a degree that the present job classification does not accurately reflect the actual duties performed.

Redefinition - Changing the budgeted purpose of funds from a specific capital outlay item to another capital outlay item.

Referendum Bonds - Bonds which require authorization "... by ordinance adopted by the affirmative vote of two thirds of all members of the City Council and approved by the affirmative votes of a majority of the qualified voters of the City voting on the question at an election called and held for the purpose ..." of approving or disapproving the issuance of the bonds. While referendum bonds may be issued for general obligation purposes, normally the issue is identified as financing a specific project or group of projects, such as schools or roadways.

Reserve for Contingencies - Used to identify funds set aside as a reserve for unanticipated expenditures, budgeted salary adjustments, or any other anticipated costs to be allocated at a later date.

Resolution - Passage of a resolution indicates the Council's policy on a certain matter, or it may direct a certain type of action to occur. It requires only one reading. This is a statement of intent by the City Council to participate in the grant program. Resolutions may be required for grants prior to award or after the grant has been awarded. This does not constitute an appropriation or a formal acceptance of grant funding, but only an agreement in principle.

Resource Management Plan – Provides an executive level summary of the Operating Budget and Capital Improvement Program.

Strategic Agenda - Short term goals developed by department heads to focus on achieving the long term goals set by City Council. Four major themes were developed: Economic Vitality, Infrastructure, Youth and Families, and Community Leadership and Shared Vision. The department directors acting together, took these themes and began moving the City towards the City Council's goals, and recommended reasonable funding strategies.

Strategic Issue Team (SIT) - One of seven teams formed to manage major City issues as identified by previous Mission Teams and by the City Council's goals. These teams include: Economic Vitality, Safe Community, Quality Physical Environment, Cultural and Recreational Opportunities, Quality Education and Lifelong Learning, Family and Youth Opportunities, and Quality Organization.

Supplanting - Substituting ones source of funding to augment reductions in funding by another agency. The City's policy of not supplanting federal, state or private funding reductions with local funding applies to grants.

Tax Increment Financing (TIF) - Use of the revenues generated by the growth of a designated area to fund Capital Improvement Projects within that area.

Telecommunications Devices for the Deaf (TDD) - System and equipment to enable hearing impaired persons to communicate through the telecommunication system.

Tourism Advertising Program (TAP) - Comprised of dedicated 1¢ of Hotel/Motel Room Tax rate, $1 per room night flat tax, and dedicated ½¢ of Restaurant Meals Tax rate, this program funds advertising for the resort area, including financing the Visitor Information Center and additional national and regional advertising for the City with increased emphasis on marketing through the City's new website, www.vbfun.com.

Tourism Growth Investment Fund (TGIF) - This fund represents revenues from a variety of sources, including taxes on the rental of hotel rooms, on restaurant meals, and from admission taxes on participating sports. These revenues were earmarked by City Council to fund certain projects in support of tourism, including capital projects.

Transfers from Other Funds - Revenues received from another fund that are used to reimburse the recipient fund for expenses incurred in behalf of the "Other" fund.

Transfers to Other Funds - The transfer of appropriations from one fund to assist in funding the operations of another.

Virginia Beach Quality Service System (VBQSS) - A quality management system designed to enhance the physical, social, economic and educational quality of the City by delivering quality services to all citizens according to destination points set by the City Council.

Description of Major City Funds

Under the principles of fund accounting, all related liabilities and resources are grouped together in a self-balancing set of accounts. Generally, funds are set up and maintained for the purpose of carrying on specific activities or attaining certain objectives, in accordance with specific regulations or limitations. Provided below is a description of each of the major funds used in this budget document, and an explanation of their relationships to each other.

Agriculture Reserve Program Special Revenue Fund - accounts for funds required to purchase the development rights of open land.

Central Business District - South Tax Increment Financing (Town Center) Fund - City Council adopted the Central Business District South Tax Increment Financing District on November 23, 1999. Creating a Central Business District in the Pembroke area of the City has been a long-term goal. The Comprehensive Plan, adopted on November 4, 1997, noted "the need to improve the overall form and quality of the development within the CBD core area and transform what is now mostly undeveloped or underdeveloped land into an attractive, high quality, intensive, pedestrian designed, mixed use town center." On February 8, 2000, the City Council approved a Development Agreement between a Developer and the Development Authority that created a Town Center for the City. The TIF funds will mainly be used to pay for the construction of public parking facilities.

City Beautification Fund - provides funding for various landscaping beautification projects. It derives its revenues from cash donations received annually from citizens or businesses for designated beautification projects. The donations fund the plants and other related materials and supplies needed for the projects.

City Garage Internal Service Fund - is designed to account for the financing of vehicles and repairs, parts, and the motor pool services related to the use of City vehicles by City departments. Goods and services are provided by the City Garage to other departments on a flat fee basis.

Community Development Loan and Grant Fund - accounts for Community Development Block Grant funds used to finance loans and grants to homeowners in target neighborhoods. This fund also accounts for interest and principal repayments.

Community Development Special Revenue Fund - accounts for the funds provided by the Community Development Block Grant (CDBG) and the City of Virginia Beach to address the inadequate housing of the City's low and moderate income families. This program supports the administration of both capital improvement projects in target neighborhoods and various other housing programs.

DEA Seized Property Special Revenue Fund - accounts for funds provided to the Police and Commonwealth's Attorney offices, by the State and Federal governments. These funds are from property and money confiscated as a result of narcotics investigations. The funds must be expended to support investigations and prosecution activities.

Federal Housing Assistance Grant Fund - accounts for National Affordable Housing Act grant funds utilized for rehabilitation of owner-occupied and tenant-occupied low and moderate income dwellings.

Federal Section 8 Program Special Revenue Fund - accounts for funds received directly from the Federal government to provide rental assistance to low and moderate income families.

Fuels Internal Service Fund - established and separated from Automotive Services Internal Service Fund to more easily identify the costs associated with the delivery of fuel including maintenance, operation, capital and remediation costs for general fund supported fuel facilities.

General Debt Fund - used to budget and record the annual principal and interest payments for the City's long-term debt. Generally, these payments are backed by the City's general tax base. The debt incurred by the City in the process of acquiring major capital outlay or constructing capital facilities

General Fund - supports the routine operations of the City, such as Police, Fire, and Public Libraries. It can also incur liabilities, indicated by interfund transfers, which are reimbursable by other funds. Resources are generated through the tax base and from Federal and State programs. Beginning in FY 2006-07, incorporates funding from the Pendleton Child Service Center Fund, and Information Technology Internal Service Fund.

General Government Capital Projects Fund - provides funds necessary to meet the City's needs for municipal facilities construction, ranging from community centers to offices; to preserve and enhance the extensive shorelines and navigable waterways within the City through protection, maintenance, access, and restoration projects; for projects supporting communications and technology that improve customer service delivery, and improve the functionality and efficiency of the organization and its infrastructure; for capital improvement projects supporting the economic and tourism development program; for capital improvement projects supporting the parks and recreation program; and to support the roadways capital improvement program. Sources of revenues include the operating budget, fund balance, State, Federal, debt financing, private contributions, and the Sandbridge Tax Increment Financing District and Special Service District.

Golf Course Special Revenue Fund - finances the operations of the Municipal Golf Courses. This fund is fully supported by the green fees, cart rentals, and concession operations at the golf courses. This fund will be merged into the Parks and Recreation Special Revenue Fund in FY 2010-11.

Grants Consolidated Fund - accounts for grants-in-aid received from Federal and State agencies.

Information Technology Internal Service Fund for Subscriptions - is designed to account for the financing of existing subscriptions by City departments.

Inmate Services Special Revenue Fund - accounts for the proceeds of telephone commissions from pay telephones within the Correction Center. State law requires that these funds be used in support of programs benefiting the inmates.

Law Library Fund - is designed to finance the legal reference collection which is used primarily by the courts system. This fund is primarily supported through fees collected by the courts as "court costs."

Library Gift Fund - accounts for designated and undesignated donations to the Virginia Beach library system from individuals and groups. The undesignated donations are used for additions to the collection.

Lynnhaven Mall Tax Increment Financing Fund - the City Council established a Tax Increment Financing District for the Lynnhaven Shopping Area on June 2, 1998 in conjunction with the expansion of Lynnhaven Mall. The TIF funds are proposed to be used for improving the capacity and flow of traffic within the mall area, improving public transit access to and from the mall area, and expanding public parking.

Major Projects Special Revenue Fund - funds various projects in the FY 2001-02 Capital Improvement Program. The source for this fund comes through revenue generated by meal tax, hotel tax, and the cigarette tax, as well as the issuance of lease purchase agreements.

Open Space Special Revenue Fund - derives its revenue from part of the meals tax and other local sources associated with the acquisition of undeveloped property throughout Virginia Beach.

Parking Enterprise Fund - accounts for the expenditures and revenues generated by parking meters and the operation of municipal parking lots in the resort area.

Parks and Recreation Gift Fund - provides funding for various Parks and Recreation-related needs. It derives its revenues from cash donations received annually from citizens for designated (such as special events, recreation supplies, other purchased services, replacement equipment, and other Parks and Recreation activities, as may have been designated) and un-designated purposes related to Parks and Recreation programs and activities.

Parks and Recreation Special Revenue Fund - accounts for revenue from fees and charges, dedicated tax revenue for community recreation centers, the Sportsplex, and local (General Fund) support associated with the operation of the Parks and Recreation Department.

Print Shop Internal Service Fund - provides for the printing and copying needs of City departments and the School Board.

Risk Management Internal Service Fund - provides a means of accounting for the City's self-insurance program, claims handling, risk identification, and consulting services offered from one department to other City departments on a cost-reimbursement basis.

Sandbridge Special Service District Special Revenue Fund - records the cost of sand replenishment along the Sandbridge District oceanfront, receives its funding from specially assessed real estate taxes on properties within the district's boundaries, from a transient occupancy tax for the district, and gets additional support from the Parking Enterprise Fund, the Tourism Growth Investment Fund, and the Parks and Recreation Special Revenue Fund.

Sandbridge Tax Increment Financing Fund - on December 1, 1998, the City Council established a Tax Increment Financing District for the Sandbridge area. The TIF district, in conjunction with funding from a Special Services District also created for Sandbridge, will provide for periodic beach renourishment.

School Athletic Fund - records the costs of holding athletic activities at the City's schools. Receives its funding primarily from admission fees to athletic events, and gets additional support from the City's general fund.

School Cafeterias Fund - records the costs of operating the City's school cafeterias, receives its funding primarily from the sale of school lunches, and gets additional support from the State and Federal government.

School Communication Tower Technology Revenue Fund - on March 24, 1998, the City established the School Communication Tower Technology Special Revenue Fund to receive all payments from private tower owners who lease school property for commercial wireless towers. The funds received and the interest earned is used to acquire and replace technology including computers, software, wiring, training, facsimile, and copy machines.

School Equipment Replacement Special Revenue Fund - On January 9, 2007, the City established the School Equipment Replacement Special Revenue Fund to account for the financing and acquisition of various replacement equipment.

School General Revenue Capital Projects Fund - provides funding for the construction of new schools and school facilities. The Schools capital improvement program receives support from the Operating Budget in terms of current revenues and fund balance, State and private contributions, and debt financing.

School Grants Fund - records the costs to operate various special programs in the local schools and receives its funding from various local, State, and Federal grantor agencies.

School Instructional Technology Revenue Fund - this fund was established by the City Council with the adoption of FY 1999-00 Resource Management Plan to hold funds provided by the City outside of the Revenue Sharing Policy for School Technology. This fund has been revised to reflect funding from School's annual interest earnings up through FY 2007 or until $12 million has been contributed. School's interest revenue received after FY 2007, will be allocated by the City to School's for projects and other operational costs.

School Landscaping Internal Service Fund - this fund accounts for monies provided by the Virginia Beach public school system for landscape design, installation, maintenance, and contract oversight at all public school sites, including physical education facilities (playgrounds), athletic fields, and parking lots.

School Operating Fund - supports the routine operations of the Virginia Beach public school system and tracks the funds provided for education by the Federal government and the State of Virginia.

School Reserve Fund – A City of Virginia Beach fund that accumulates school reversion cash from the School Operating Fund as requested by the School Board and approved by the City Council, and is subsequently appropriated and transferred for emergency, economic conditions and similar purposes as requested by the School Board and approved by the City Council.

School Technology Category Fund separately accounts for the technology expenditures under the new Technology Category (formerly budgeted in and a sub fund of the School Operating Fund). This is required by the State Department of Education and the Code of Virginia, as amended.

School Textbook Fund - records the costs of providing textbooks to the student population, receives its funding primarily from the State Department of Taxation, and gets additional support from the City's general fund.

School Vending Operations Fund - this fund was established in FY 2001 02 after the district entered into an exclusive vending arrangement with a national soft drink vendor. Proceeds from this contract will be used to support student activities.

Sheriff's Department Special Revenue Fund - accounts for State, Federal, and local funds in support of the Sheriff's Office.

Storm Water Capital Projects Fund - accounts for funds allocated for infrastructure improvements to the Storm Water Utility System. The Storm Water capital improvement program is designed to create an effective drainage system and storm water management system, protect natural resources and enhance quality of land and waterways, to maintain the City's utility systems, encourage development only in accordance with principles of natural environment protection, and provide adequate resources to maintain existing infrastructure. The Storm Water capital improvement program receives support from the Storm Water Utility Enterprise Fund of current revenues, retained earnings, and debt service for revenue bonds issued, and from other sources such as the State government, private contributions, the City's General Fund and Golf Course Special Revenue Fund.

Storm Water Utility Enterprise Fund - accounts for revenues and expenditures generated by the Storm Water Utility Fee for operational and capital needs for storm water management in the City.

Tourism Advertising Program Special Revenue Fund - accounts for revenues earmarked by City Council for the costs of advertising and marketing tourism, and the operation of the Visitor Information Center.

Tourism Growth Investment Fund (TGIF) - accounts for revenues earmarked by City Council in support of the Tourism Growth Investment initiatives which are designed primarily to fund and maintain capital investments in the resort.

Town Center Special Tax District - in accordance with the Town Center Development Agreement, a special tax district was created in FY 2002-03 to provide annual operations and maintenance costs associated with the parking facilities and streets at Town Center Every three years, the special tax rate will be reviewed by the City to determine the cash flow needed to properly maintain and operate the facility.

Water and Sewer Fund - accounts for the expenditures and revenues generated by the normal operations of the water and sewer divisions of the Public Utilities Department.

Water and Sewer Operating Capital Projects Fund – provides funds for the renovation/rehabilitation and replacement of water and sewer lines and pump stations, extensions of the water and sanitary sewer system coordinated with the roadway expansions, expansion of the water and sewer system to increase capacity in newer service areas, new water and sanitary sewer services through the Neighborhood 51% program. The Water & Sewer capital improvement program receives support from the Water and Sewer Utility Enterprise Fund in terms of current revenues, retained earnings, and debt service for revenue bonds issued, and from other sources such as the Federal government and Hampton Roads Sanitation District.

Descriptive List of Commonly Used Acronyms

Acronym	Title	Description
ADA	Americans with Disabilities Act	Federal legislation requiring all public buildings to be handicap accessible.
ADAPT	Automated Delivery of Assistance Payments	A state program to reduce the need for eligibility workers by creating an automated system to provide case management, eligibility determination, and benefit calculation to cover such services as Aid to Families with Dependent Children, Food Stamps, and Medicaid.
A&E	Architecture and Engineering	Studies and general design work on capital projects and special programs.
AFDC	Aid to Families with Dependent Children	Federal aid to low income families with children to purchase food and related goods.
AICUZ	Air Installation Compatible Use Zone	The noise zones and the accident potential zones together form the AICUZ for an air installation. The AICUZ need to be updated periodically when the number and type of aircraft operations change at an installation.
ALS	Advanced Life Support	Critical care that requires immediate intervention for life or death circumstances.
ARB	Accounting Research Bulletins	Publications containing recommended accounting procedures published by FASB.
ARP	Agricultural Reserve Program	See glossary.
APZ1	Accidental Potential Zone 1	An area beyond the airfield runway where an aircraft mishap is most likely to occur if one occurs. It does not indicate a probability of an accident occurring, but is to be used for planning purposes.
AVID	Advancement Via Individual Determination	A program designed to help underachieving middle and high school students prepare for and succeed in colleges and universities. This program offers a rigorous program of instruction in academic "survival skills" such as how to study, read for content, take notes, and manage time.
AWWA	American Water Works Association	An organization of governmental Water and Sewer agencies. The Department of Public Utilities belongs to this group.
BLS	Basic Life Support	Provide care for the sick or injured.
BPOL	Business Professional Occupation License	A business tax license based upon gross receipts over $100,000 and at a rate of $100.
BRACC	Base Realignment and Closure Commission	See glossary.
BRT	Bus Rapid Transit	Dedicated transit lanes that accommodate unimpeded movement between the Convention Center, Marine Science Museum, and Atlantic Avenue.
BZA	Board of Zoning Appeals	A council appointed board that hears citizen requests for variances from the City Zoning Ordinance.

Acronym	Title	Description
CAFR	Comprehensive Annual Financial Report	An audited and printed copy of the City's financial statement at the end of a given fiscal year.
CARE	Community Action Resources Empowerment	A community policing and neighborhood preservation program.
CASA	Court Appointed Special Advocate	A program administered by the State Department of Criminal Justice Services that provides volunteers who provide services as requested by the Juvenile and Domestic Relations Court to cases involving allegations that a juvenile is abused, neglected, in need of services or in need of supervision. These services include: investigation of the facts in a case, monitoring the case to ensure compliance with court orders, and assisting the guardian ad litem appointed to the case to represent the juvenile's needs and best interests.
CBD	Central Business District	The Virginia Beach Central Business District is a large area roughly bound by Thalia Creek on the east, Witchduck Road on the west, Jeanne Street on the north and Bonney Road on the south. Much of this area is comprised of commercial enterprises with some light industrial uses located in the western portion of the district. Since the near 2000, considerable growth has occurred in the Central Business District's Town Center area. The Town Center is a 17-block area located southwest of Virginia Beach and Independence Boulevards. It is a vibrant and growing urban lifestyle center with a complement of mixed uses that include high rise residential, retail, office, restaurant, entertainment, education and open spaces, all designed around a well planned urban, pedestrian friendly environment.
CC	Certificate of Compliance	A program offered by the Department of Housing that conducts inspections on rental units.
CDBG	Community Development Block Grant	Federal grant money used to improve housing and infrastructure.
CHINS	Child in Need of Services/Supervision	"Child in need of services" means a child whose behavior, conduct or condition presents or results in a serious threat to the well-being and physical safety of the child.
CIP	Capital Improvement Program	A program which schedules the financing and construction of major municipal facilities, such as roads, schools, buildings, and water and sewer lines. This program is linked directly to Council policies, plans, and goals.
CJIS	Criminal Justice Information System	This is a 20-year-old information system used by the Police Department to report state mandated information on criminal and other incidents.
COG	Community Organization Grant	A Council appointed committee that awards non-profit agencies monetary grants for providing community services.
COIA	Conflict of Interest Act	The State and Local Government Conflict of Interests Act requires some Virginia governmental officers and employees to disclose their financial interests.
CPA	Chesapeake Bay Preservation Act	An ordinance to protect and restore the water quality of the Chesapeake Bay and its tributaries.
CPMT	Community Policy and Management Team	A team of City/School staff that oversees Comprehensive Services

Acronym	Title	Description
		Act funding.
CPRMS	Capital Project Resource Management System	Software used by the Department of Management Services to assist departments in preparing and submitting capital project requests. It is a project management tool.
CRIMES	Comprehensive Regional Information Management and Exchange System	Computer database access system used by the regional City police departments to access information from the databases of each participating locality.
CSA	Comprehensive Services Act	A funding pool of state funds, trust grants, Medicaid, Family Preservation Act funding, and the funding sources to strengthen families and provide services to at risk youths.
CSB	Community Services Board	A service responsible for providing a range of behavioral health services.
D.A.R.E.	Drug Abuse Resistance Education	A comprehensive drug and violence prevention education program for children in 5th grade.
DBRS	Department Budget Request System	Software used by the Department of Management Services that assists departments in preparing and submitting their annual budget requests.
DCJS	Department of Criminal Justice Services	A state agency that oversees grant funding to local municipalities for criminal justice related programs.
DEA	Drug Enforcement Agency	Federal agency that polices illegal drug activities.
DMAS	Department of Medical Assistance Services	A state agency that administers Medicaid.
DMV	Department of Motor Vehicles	A state agency responsible for issuing driver's licenses and issuing automated tags.
EDIP	Economic Development Investment Program	This program is a proactive and creative initiative, which enables the City to successfully retain existing employment opportunities and create new jobs, while substantially enhancing the local tax base. These funds are leveraged by business for off site utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for land purchased from the Virginia Beach Development Authority (VBDA).
EENet	Emergency Educational Network	The training staff of the Fire Department produces a nine and a half minute video giving tips on training practices, which is broadcast nationally by satellite.
EEO	Equal Employment Opportunity	A federal law banning the practice of employment discrimination based on race, religion, national origin, creed, sex, etc.
EMD	Emergency Medical Dispatching	A program that provides dispatchers basic medical training to assist in emergency calls.
EMS	Emergency Management Services	A City department that provides emergency rescue services.
ESG	Emergency Shelter Grant	A federal grant to aid homeless shelters.
FASB	Financial Accounting Standards Board	Organization created to serve investing public through transparent

Acronym	Title	Description
		information resulting from high quality financial reporting standards.
FDE	Full Day Equivalent	Method of computation for determining overall building use (used primarily at the Convention Center).
FEMA	Federal Emergency Management Agency	An independent agency of the federal government, with the mission to reduce loss of life and property and protect our nation's critical infrastructure from all types of hazards through a comprehensive, risk based, emergency management program of mitigation, preparedness, response and recovery.
FIOS	Fiber Optic Service	Verizon's Fiber Optic Service.
FLSA	Federal Labor Standards Administration	A Federal agency responsible for regulating labor laws.
FOIA	Freedom of Information Act	Virginia statute that guarantees citizens the right to examine public documents.
FTE	Full Time Equivalents	Conversion of the number of part time and temporary positions to full-time positions. FTE's are computed by dividing the total number of hours worked by 2,080, the total number of hours per year for a full time employee.
FY	Fiscal Year	A budget cycle year, from July 1st to June 30th in Virginia Beach.
GAAP	Generally Accepted Accounting Principles	The standard framework for financial accounting.
GASB	Governmental Accounting Standards Board	Organization created to improve standards of state and local governmental accounting and financial reporting.
GDP	Gross Domestic Product	The total market value of all final goods and services produced in a given year, which is equal to total consumption, investment, governmental spending, plus the value of exports, minus the value of imports.
GIS	Geographic Information System	Geographic Information Systems are tools used to gather, transform, manipulate, analyze, and produce information related to the surface of the Earth. This data may exist as maps, 3D virtual models, tables, and/or lists.
GSTN	Government Services Training Network	A program offered by the Human Resources department to offer training to employees.
HIPAA	Health Insurance Portability and Accountability Act	See glossary.
HOME	(not an acronym)	A federal grant to provide housing repairs to qualified homeowners.
HOV	High Occupancy Vehicle	An additional lane on an interstate dedicated to vehicles with two or more passengers during peak traffic times.
HRC	Human Rights Commission	A council appointed commission that advocates and promotes human rights.
HR-CPT	Human Resource Commons Policy Team	A team comprised of various city department heads, who in conjunction with the Director of Human Resources advises the City

Acronym	Title	Description
		Manager on personnel policy and organizational impacts.
HRPDC	Hampton Roads Planning District Commission	A local agency comprised of elected officials and support staff that assists municipalities in economic projections and development.
HRSD	Hampton Roads Sanitation District	A private corporation that treats sewage waste from area municipalities.
HRT	Hampton Roads Regional Transit	An independent transit authority serving the Hampton Roads area.
HSMAI	Hotel Sales and Marketing Association International	The name of a Hotel Marketing Association. Grant awards to the Convention and Visitor Bureau.
HUD	The U.S. Department of Housing and Urban Development	A cabinet branch in the Executive branch of the Federal government.
HVAC	Heating, Ventilating & Air Conditioning	A mechanized unit that provides heating and air conditioning.
IAAO	International Association of Assessing Officers	A professional organization with expertise in property appraisals, assessment administration, and property tax policy.
IBR	Incident Based Reporting	A crime incident-based system through which data are collected on each single incident and arrest within 22 offense categories made up of 46 specific crimes. For each offense, an expanded list of facts about each crime is collected.
ICMA	International City Manager's Association	The professional and educational organization for chief appointed managers, administrators, and assistants in cities, towns, counties, and regional entities throughout the world. ICMA's mission is to create excellence in local government by developing and fostering professional local government management worldwide.
IRP	Investigative Review Panel	A Council mandated panel appointed by the City Manager that reviews citizen complaints against city employees.
JLARC	Joint Legislative Audit and Review Commission	JLARC provides the General Assembly with reliable and valid information for use in legislative decision making; monitors and reports whether State agencies and programs are in compliance with legislative intent concerning appropriations and objectives; and determines whether State agencies and programs meet criteria of economy, efficiency, and effectiveness.
JLUS	Joint Land Use Study	A cooperative land use planning effort between a military installation and the surrounding communities. It promotes compatible community growth that will support military training and operational missions.
LAN	Local Area Network	A technological term for a specific type of computer network connectivity configuration.
LVR	Local Vehicle Registration	A local vehicle registration fee that is collected with the state registration fee by the Department of Motor Vehicles.
MAC	Member Advisory Committee	A group consisting of representatives from all City departments which was formed to provide input on issues and concerns that affect City members.
MGD	Million Gallons per Day	A public utilities term used to measure daily capacity at the water

Acronym	Title	Description
		distribution plant and sewage treatment plants.
MLT	Management Leadership Team	See glossary.
NPDES	National Pollutant Discharge Elimination System	A federal law eliminating pollutants in storm water run off.
NVRA	National Voter Registration Act	A federal law mandating that the Department of Motor Vehicles, health, mental health, social services, and other state agencies be integrated with the voter registration system.
OSHA	Occupational Safety & Health Administration	A federal agency that regulates work related safety issues.
PAL	Police Athletics League	A Police Department program designed to promote a positive relationship between police and youth, and to channel those youth into organized and pre-existing programs. The program serves "at-risk" neighborhoods and is comprised of both teen and pre teen members.
PIO	Public Information Office	A City division responsible for providing the public information about services and programs and other information.
PLAY	Promotion Leisure Activities for Youth	This team's purpose is to develop, promote, implement, and evaluate programs for youth and families at risk. In addition, the team is establishing a collaborative network with Social Services, Community Services Board, Health Department, Public Schools, and Police Department to offer seminars, counseling, training, and educational sessions in substance abuse, teen pregnancy, disease prevention, job training, self esteem, and career development.
RACS	Revenue Assessment and Collection System	An integrated tax revenue recordation software system designed to improve customer service and efficiency between departments.
RFP	Request for Proposal	An official document sent to vendors with specifications of goods and services to be purchased by the City.
RMP	Resource Management Plan	Document that outlines the expenditure, personnel and revenues needed for financing the annual operations, services, programs and construction projects of the City government. It is comprised of the Executive Summary, Annual Operating Budget, and the Capital Improvement Program.
ROW	Right-of-Way	A right-of-way is a strip of land that is granted, through an easement or other mechanism, for certain purposes.
RPPP	Residential Parking Permit Program	This program is used in the resort area as a tool to manage the demand for residential parking and the control of unreasonable noise during the nighttime hours in resort neighborhoods by restricting parking on residential streets to permit parking between 8:00 p.m. and 6:00 a.m.
SACWIS	State Automated Child Welfare Information System	A state funded program designed to provide every child welfare worker with a computer and the enhancements to better serve and protect vulnerable children.

Acronym	Title	Description
SCG	Strategy Coordinating Group	A group of employees pulled together by the City Manager to develop a comprehensive City Strategy based on the City Council destination points and the work of the Strategy Issue Team.
SCHIP	State Children's Health Insurance Program	State program offered thru the department of Social Services to provide health coverage to at risk children.
SEC	Securities and Exchange Commission	The primary mission of the U.S. Securities and Exchange Commission is to protect investors and maintain the integrity of the securities markets.
SEVAMP	Southeastern Virginia Area Model Program	A program that provides in-home health care, health promotion, and health education for seniors.
SID	Special Investigative Division	A division of the Police Department whose purpose is to provide investigations of narcotics, vice, street gangs, diversion of prescription drugs, and organized criminal activity in the community; to collect, maintain, use and disseminate street gang and criminal intelligence data to other units within the Police Department and to local, state, and federal law enforcement agencies; and to serve as a liaison to other law enforcement agencies in the coordination of Task Force and multi-jurisdictional investigations.
SII	Strategic Issue Team	A Strategic Issue Team is one of seven teams formed to manage major City issues as identified by previous Mission Teams and by the City Council's goals. These teams include: Economic Vitality (EVSIT), Safe Community (SCSIT), Quality Physical Environment (QPE), Cultural and Recreational Opportunities (CRO), Quality Education and Lifelong Learning (QELL), Family & Youth Opportunities (FYO) and Quality Organization (QOSIT).
SOL	Standards of Learning	The State of Virginia measures against which students' achievement in school will be measured at different points in their education.
SOQ	Standards of Quality	A term describing the minimum limits the state prescribes for funding reimbursements of school personnel including teachers, principals, and other non instructional staff.
SPSA	Southeastern Public Service Authority	A private agency responsible for regional waste disposal.
SSI	Supplemental Security Income	Federal aid given to the retired, disabled, and their dependents.
SSSD	Sandbridge Special Service Tax District	A program for beach restoration.
SWMF	Storm Water Management Facilities	Retention ponds that are a part of the storm water management system.
SWU	Storm Water Utility	Name of a fund that performs storm water maintenance activities.
TANF	Temporary Assistance to Needy Families	Federal assistance, which replaces the AFDC and requires all participants to find work after receiving assistance for 24 months and must participate in community services within two months.
TAP	Tourism Advertising Program	See glossary.
TCC	Tidewater Community College	A local community college.

Acronym	Title	Description
TDD	Telecommunication Devices for the Deaf	See glossary.
TDH	Tidewater Detention Home	A secure detention home for juveniles operated by the City of Chesapeake.
TGIF	Tourism Growth Investment Fund	See Fund Description.
TIF	Tax Increment Financing	See glossary.
TIP	Technology Improvement Plan	This is a plan designed to keep computers and other technology used by the City up to date.
TTDC	Tidewater Transportation District Commission	An agency responsible for regional transportation planning.
UCR	Uniform Crime Report	The standard for crime reporting to the FBI for about 60 years. It included the reporting of homicide, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft and arson, which are called Part I Crimes.
ULF	Ultra Low Flush	These are toilets that use minimal water per flush and are a part of the Water Conservation Program.
UST	Underground Storage Tank	See glossary.
VBCDC	Virginia Beach Community Development Corporation	A non-profit group dedicated to preserving the City's housing stock.
VBCRC	Virginia Beach Community Recreation Center	Virginia Beach Community Recreation Centers that offer a variety of recreation, education and fitness opportunities to people of all ages. These are the six Recreation Centers: Kempsville, Bow Creek, Seatack, Great Neck, Bayside, and Princess Anne.
VBCSU	Virginia Beach Court Service Unit	An agency of the State Department of Juvenile Justice that provides comprehensive probation, parole, and intake services to the Virginia Beach Juvenile and Domestic Relations Court, the Virginia Beach Police, and the public.
VBDA	Virginia Beach Development Authority	Composed of eleven members appointed by City Council to work in cooperation with the City's Department of Economic Development as delineated in Chapter 643, Acts of The General Assembly, as Amended.
VBHI	Virginia Beach Home, Inc.	An agency that acquires and rehabilitates low income housing to provide affordable housing for those needing low to moderately priced housing.
VBOP	Virginia Beach Outdoors Plan	A plan to develop the North/South and East/West greenways and scenic waterway systems.
VBQSS	Virginia Beach Quality Service System	See glossary.
VBTV	Virginia Beach Television	A local cable access channel that broadcasts City meetings, seminars, presentations, employment information, and other City business.
VDOT	Virginia Department of Transportation	State agency that maintains state roads and interstate.

Acronym	Title	Description
VIEW	Virginia Initiative for Employment not Welfare	A state welfare reform program that places work requirements and time restrictions on receiving welfare aid.
VJCCCA	Virginia Juvenile Community Crime Control Act	A Virginia block grant that provides funding for non-secure and outreach detention, group home services, and services provided by the Pendleton Child Service Center.
VOIP	Voice-Over Internet Protocol	Protocol optimized for the transmission of voice through the internet or other packet-switched networks.
VOSH	Virginia Occupational Safety and Health Program	A program under the auspices of the Virginia Department of Labor and Industry which sets standards to "...adequately assure...that no employee will suffer material impairment of health or functional capacity."
VRS	Virginia Retirement System	A state retirement system for public employees that provides its members with benefits at retirement, or upon disability or death.